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October 30, 1987

OCTOBER 1987 MONTHLY REPORT

Surveys of Consumers

Richard T. Curtin, *Director*

THE CRASH AND THE CONSUMER

- The good news: The fear and panic on Wall Street has not swept Main Street. The bad news: Consumer confidence has been weakened, and is vulnerable to further declines in the coming months.

- In the October 1987 survey, the Index of Consumer Sentiment fell to 89.3 from 93.6 in September. Although this represents a relatively small overall decline, the entire decline was due to sharply lower confidence levels since the stock market crash. Based on interviews conducted prior to October 19, the Index stood at 92.5; from October 19th to the 28th, the Index averaged a much lower 82.4. The sharpest declines were in prospects for the general economy, while personal financial expectations remained largely unchanged. Caution must be used in the interpretation of these results because of the small number of interviews conducted from the 19th to the 28th of October (153)—although the increased pessimism toward prospects for the general economy following the market crash was statistically significant even with the small sample size.

- Prospects for business conditions during the year ahead as well as over the next five years showed the greatest declines since October 19th. Bad times financially during the next 12 months were expected by 48 percent of all families after the crash, up from 34 percent earlier in the month—which was already somewhat higher that the 31 percent recorded in October 1986. Expectations of good times financially fell to 34 percent since October 19, down from 47 percent earlier in October, and 55 percent in October 1986.

- Prospects for the economy over the next five years have also deteriorated. During early October 1987, as in October 1986, approximately equal numbers of consumers expected good as expected bad times (39 versus 41 percent). Since October 19th, opinions have sharply tilted toward unfavorable longer term prospects: 57 percent expected bad times, compared with 29 percent that expected good times.

- In contrast to the immediate sharp declines in the outlook for the general economy following the stock market crash, personal financial prospects have remained unchanged thus far. The proportion of consumers that expected their financial situation to improve stood at 37 percent before the 19th, and at 38 percent in the last part of October. These readings are just above the month earlier figure of 35 percent, and equal to the year earlier figure of 37 percent. Importantly, the proportion of consumers that expected worsened finances remained low—10 percent prior to the 19th, 9 percent after.

- Attitudes toward buying conditions have weakened, both before and since the stock market crash. Favorable attitudes toward buying conditions for vehicles fell to 54 percent since October 19th, from 61 percent earlier in the month, which was already below the 66 percent recorded in September, and the 72 percent recorded a year earlier. The ending of the last round of sales incentives and discounts had the most influence on the recorded losses.

- Favorable home buying attitudes were held by 65 percent of all families since October 19th, down from 72 percent earlier in the month, and 81 percent one year earlier. Similarly, attitudes toward buying conditions for large household durables fell to 63 percent since October 19th, down from 72 percent earlier in October, and 76 percent one year earlier.

- Based on preliminary estimates, the stock market crash has diminished consumer confidence. The extent of the damage is, however, as yet undetermined. When new economic developments represent a dramatic departure from prior expectations, the heightened uncertainty prompts greater information seeking in an attempt to resolve the discrepancy. Although beliefs do not immediately change, the frame of reference used to process new information does. In the present context, consumers' perspectives have changed from whether ongoing developments indicate somewhat slower or faster economic growth, to whether they indicate that financial dislocations can be contained or will spread through the entire economy.

- At present, the impact of the crash has been concentrated on attitudes toward the general economy. It is the very uncertainty about the consequences of the crash that has limited its initial impact to these more general economic expectations. The question that consumers are seeking to answers is: "What does it mean for me personally?" The answer has yet to be determined by most consumers, and is the reason for the lack of initial impact on personal financial expectations.

- Needless to say, the current situation is volatile. Whether a recession eventually develops can not be determined from these data, as the response by consumers has yet to move past the initial reactions. Nonetheless, the data indicate weakening sales, and a much larger potential downside risk. Much depends on ongoing market developments, and the actual extent of the crash fallout.

- Shifts in government economic policies will be an important factor in shaping the emerging responses by consumers. The ideal, of course, would be to find ways to lower interest rates without escalating domestic inflation, and to reduce the budget deficit without raising personal income taxes. Determining and achieving the optimal balance among these conflicting goals is the Gordian knot that policy makers must now attempt to untie. Perhaps even more important than these specific policy goals, consumers need to feel that policy makers understand the problems, and are taking forceful steps to resolve them.

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The usual booklet of tables and charts for the October 1987 survey will be sent shortly.

TABLE A

INDEX OF CONSUMER SENTIMENT AND ITS COMPONENTS

Index Measures (Table Number)	Oct 1986	Sept 1987	Oct 1987		
			All	BC	AC
Index of Consumer Sentiment (1)	95.6	93.6	89.3	92.5	82.4
Current Index (3)	108.9	108.3	103.1	105.3	98.5
Expected Index(3)	87.1	84.2	80.4	84.3	72.0
Personal Finances					
Current (3)	120	119	118	117	121
Expected (3)	127	124	128	128	129
Business Conditions					
One year ahead (3)	124	122	105	113	87
Five years ahead (3)	99	92	90	98	72
Buying Conditions					
Household Durables (3)	162	162	149	156	134
Homes (23)	164	146	144	148	135
Vehicles (25)	151	141	127	133	115
Cases	651	650	500	347	153

Note: BC = Interview conducted before October 19th.
AC = Interview conducted from the 19th to the 28th of October.

TABLE B

CONSUMER SENTIMENT MEASURES

Question (Table Number)	Oct 1986	Sept 1987	Oct 1987		
			All	BC	AC
Current Personal Finances (4)					
Better	44%	42%	43%	41%	48%
Worse	24%	23%	25%	24%	27%
Expected Personal Finances (6)					
Better	37%	35%	37%	37%	38%
Worse	10%	11%	9%	10%	9%
Current Business Conditions (12)					
Better	47%	49%	49%	52%	43%
Worse	35%	34%	35%	32%	39%
One Year Business Outlook (15)					
Good Times	55%	51%	43%	47%	34%
Bad Times	31%	29%	38%	34%	48%
Five Year Business Outlook (16)					
Good Times	41%	37%	36%	39%	29%
Bad Times	42%	45%	46%	41%	57%
Unemployment Expectations (17)					
Lower	10%	13%	17%	20%	12%
Higher	33%	29%	29%	26%	38%
Interest Rate Expectations (18)					
Higher	50%	66%	67%	70%	61%
Lower	15%	7%	11%	9%	15%
Household Durables (21)					
Good Time to Buy	76%	75%	69%	72%	63%
Bad Time to Buy	14%	13%	20%	16%	28%
Homes (23)					
Good Time to Buy	81%	71%	70%	72%	65%
Bad Time to Buy	17%	25%	26%	24%	30%
Vehicles (25)					
Good Time to Buy	72%	66%	58%	61%	54%
Bad Time to Buy	21%	25%	31%	28%	39%
Cases	651	650	500	347	153

Note: BC = Interview conducted before October 19th.
AC = Interview conducted from the 19th to the 28th of October.

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

OCTOBER 1987

The October 1987 survey is the 231st in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

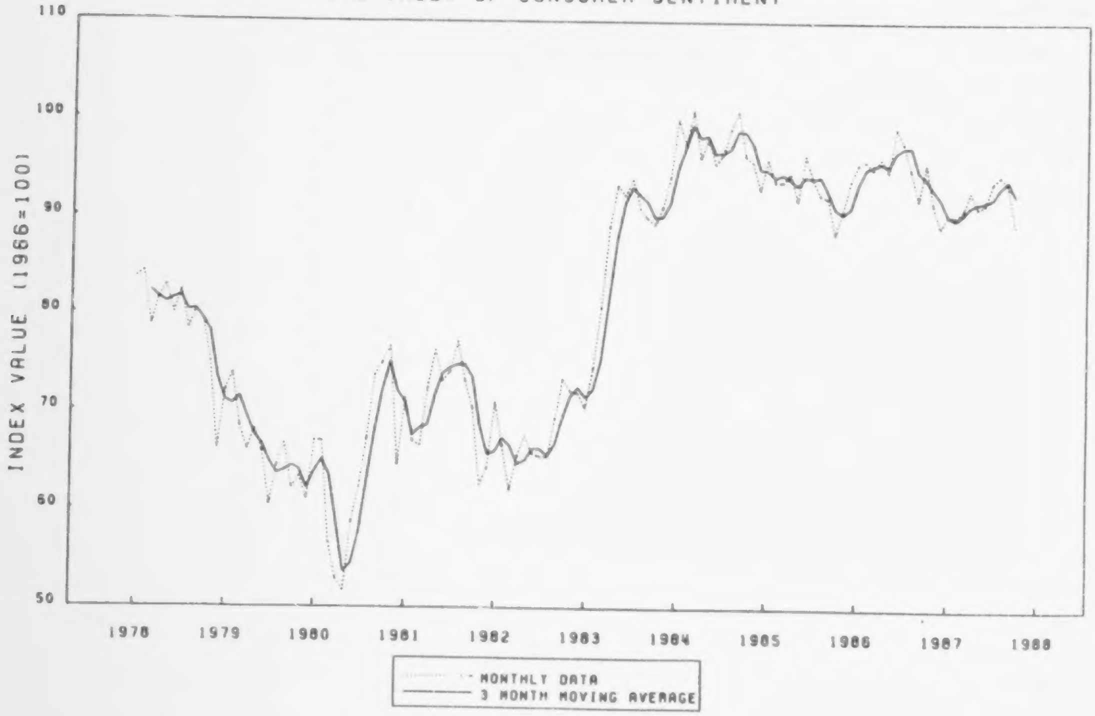


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

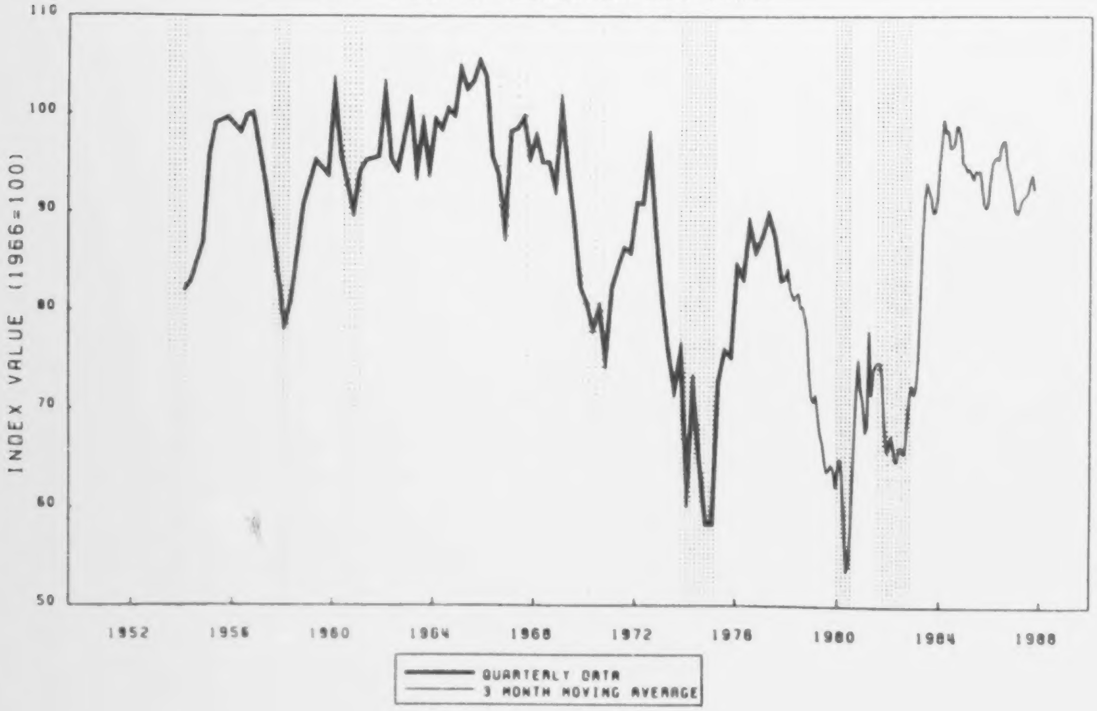


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
October 1984	96.3	113.5	114.8
November 1984	95.7	112.9	113.6
December 1984	92.9	101.5	101.7
January 1985	96.0	110.2	112.1
February 1985	93.7	113.8	113.8
March 1985	93.7	110.8	114.4
April 1985	94.6	108.9	114.9
May 1985	91.8	105.3	107.7
June 1985	96.5	107.4	110.3
July 1985	94.0	105.2	109.5
August 1985	92.4	106.7	110.2
September 1985	92.1	101.7	104.9
October 1985	88.4	99.6	107.4
November 1985	90.9	100.8	100.3
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

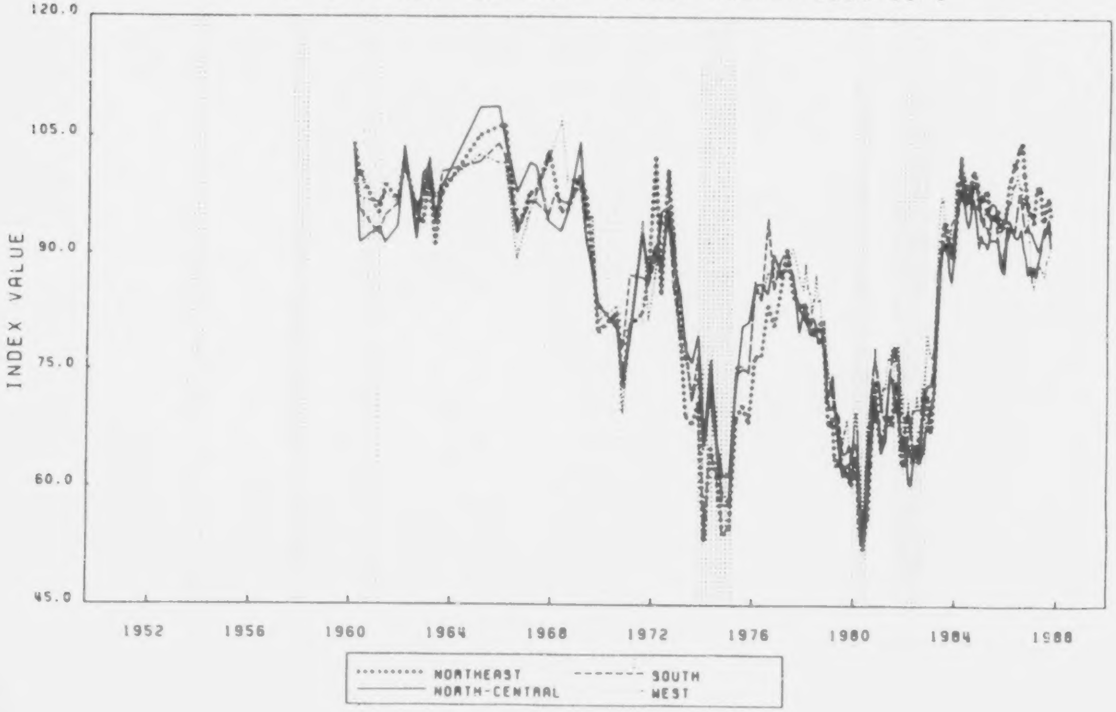


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

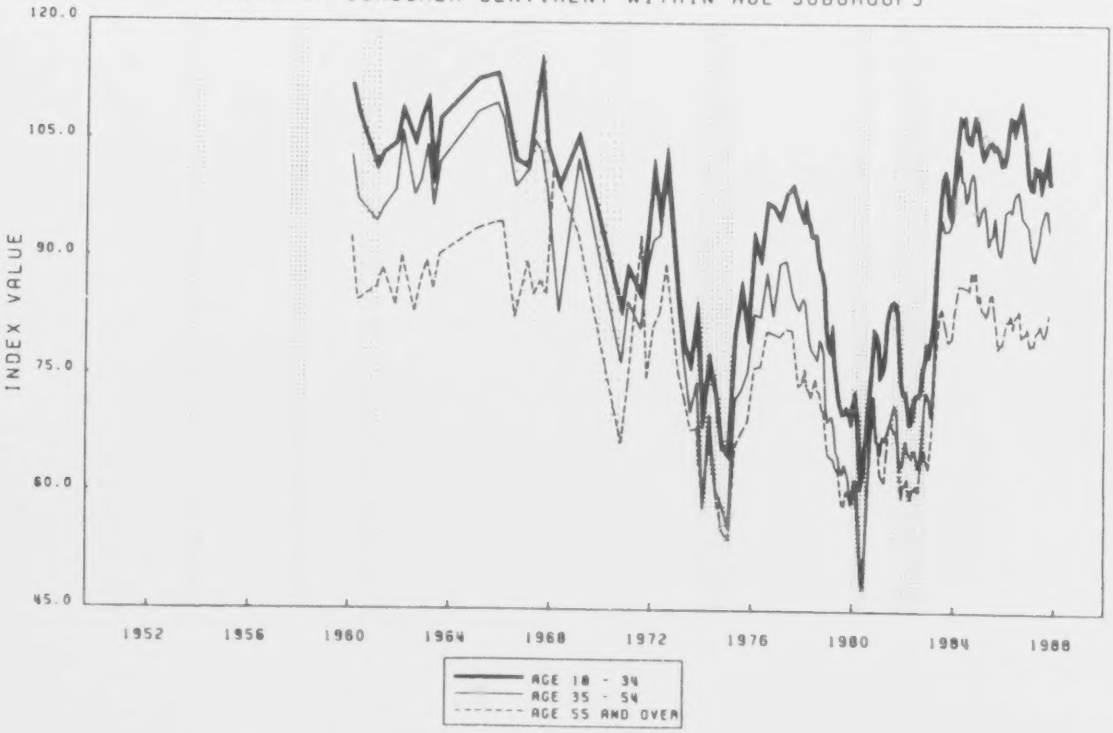


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
October 1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November 1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December 1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January 1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March 1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April 1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May 1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July 1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August 1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September 1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October 1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

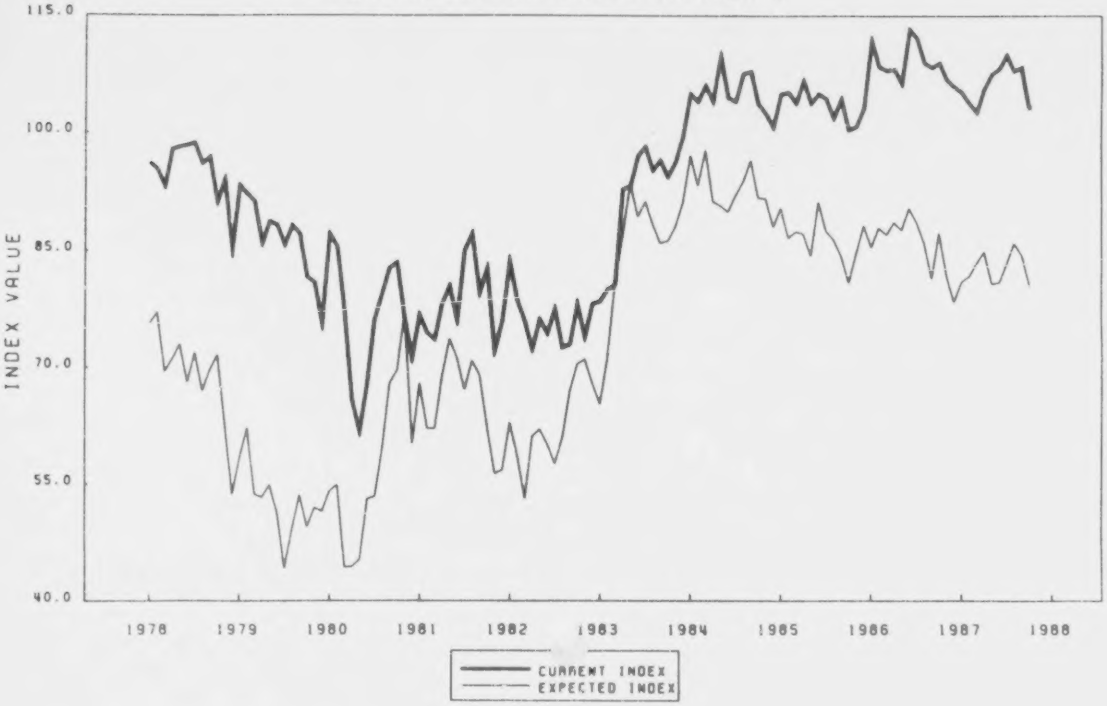


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

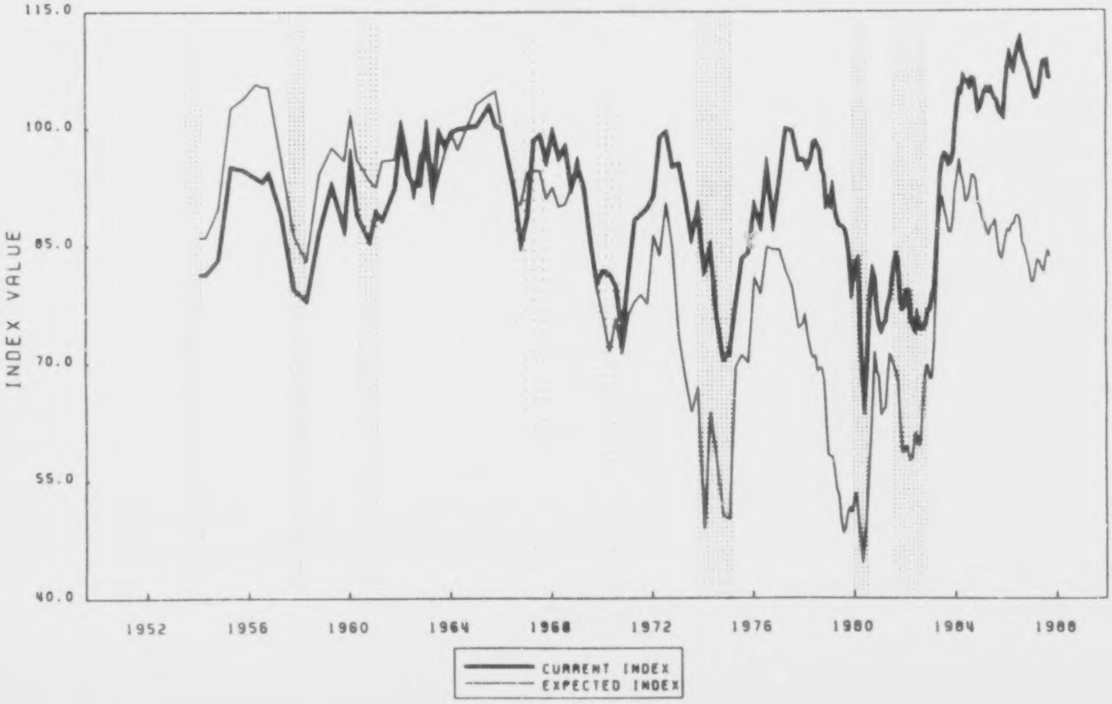


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

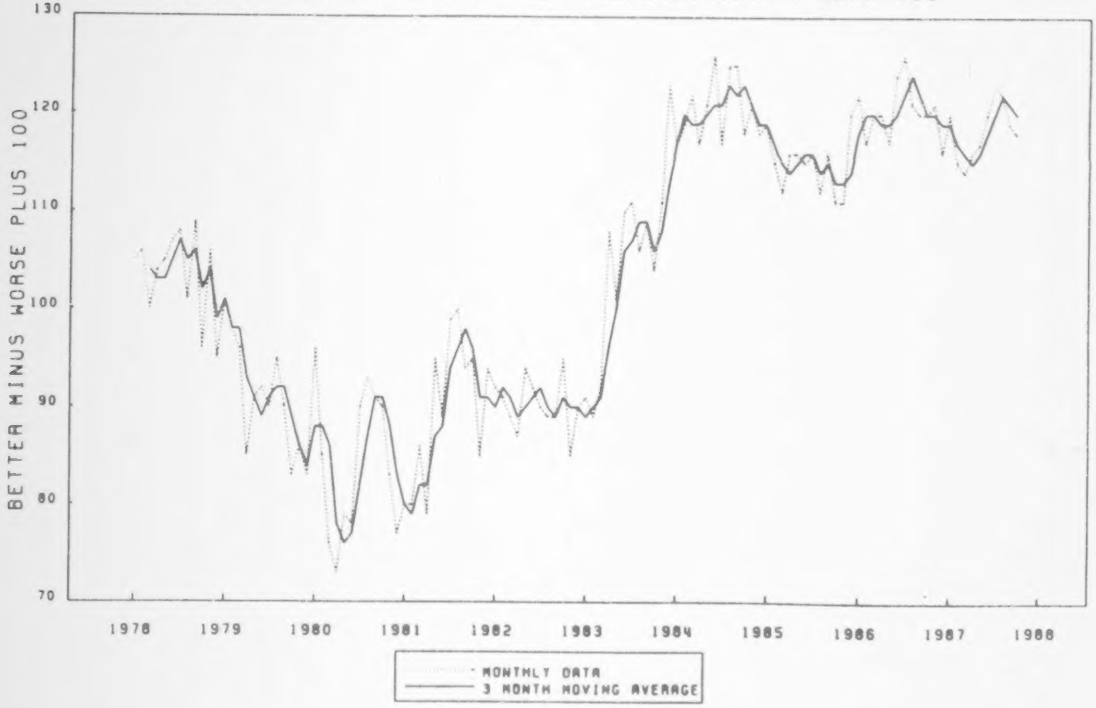


CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

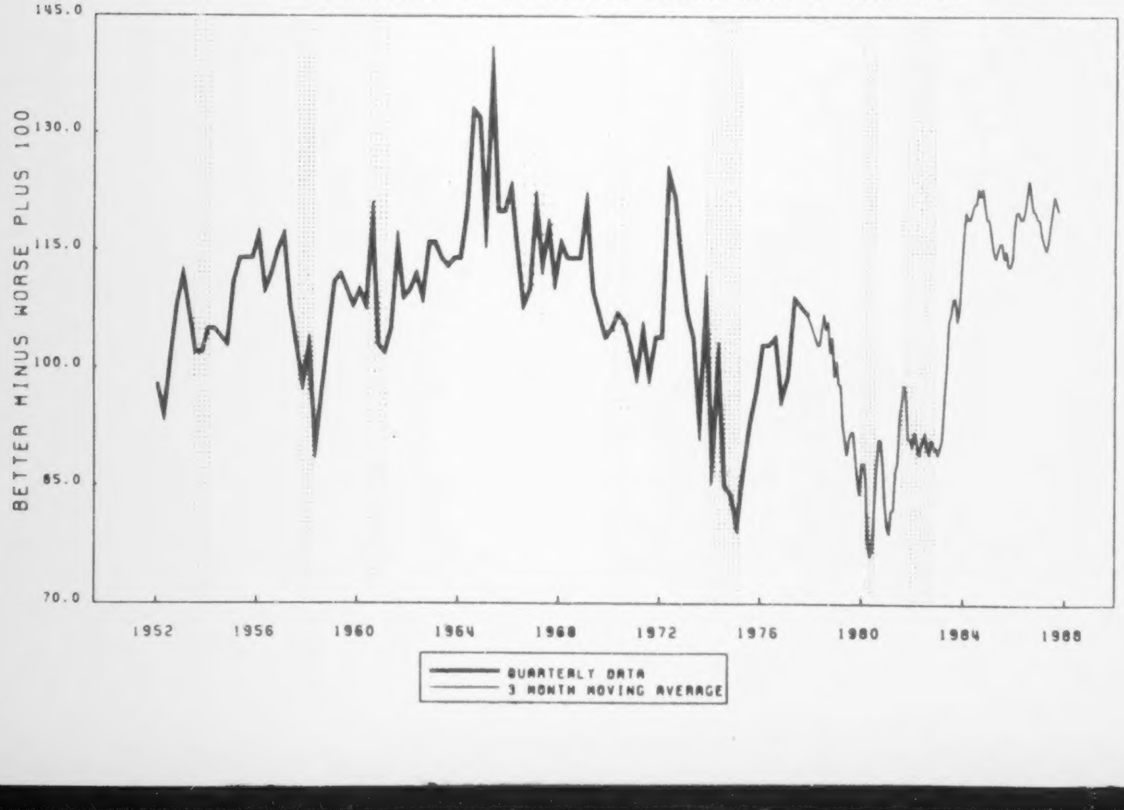


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
BETTER OFF	44%	43%	43%	45%	44%	41%	42%	43%	44%	45%	45%	42%	43%
SAME	32	35	30	29	27	32	32	31	32	32	32	34	32
WORSE OFF	24	22	27	25	29	27	26	26	24	22	23	23	25
DK,NA	*	*	*	1	*	*	*	*	*	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

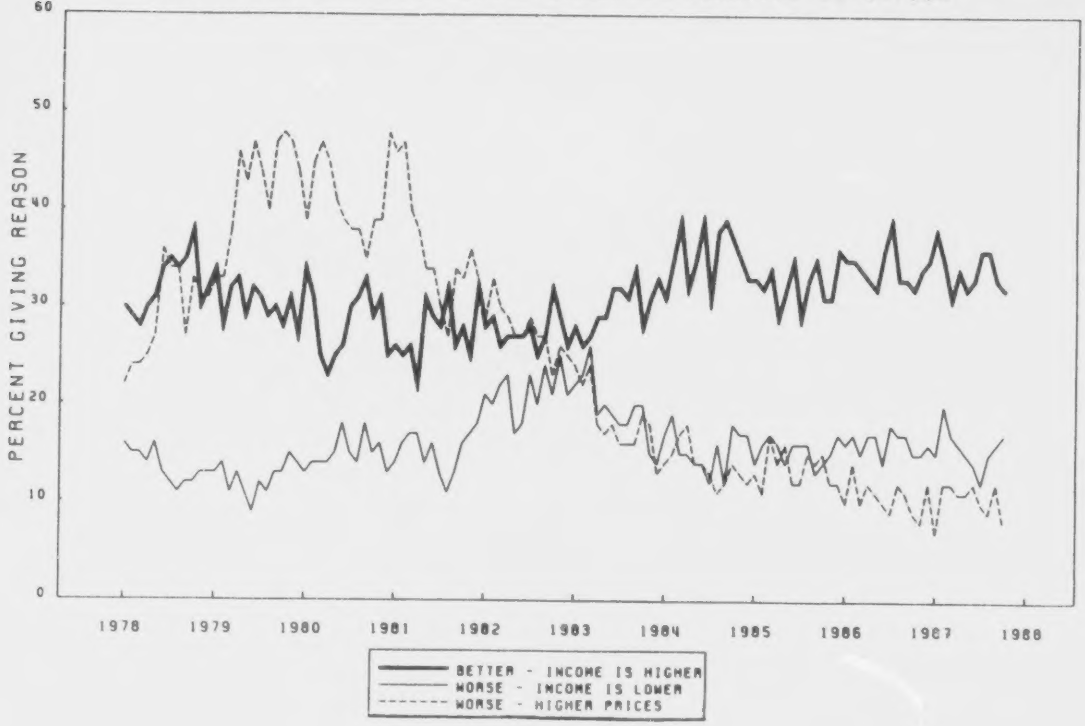


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

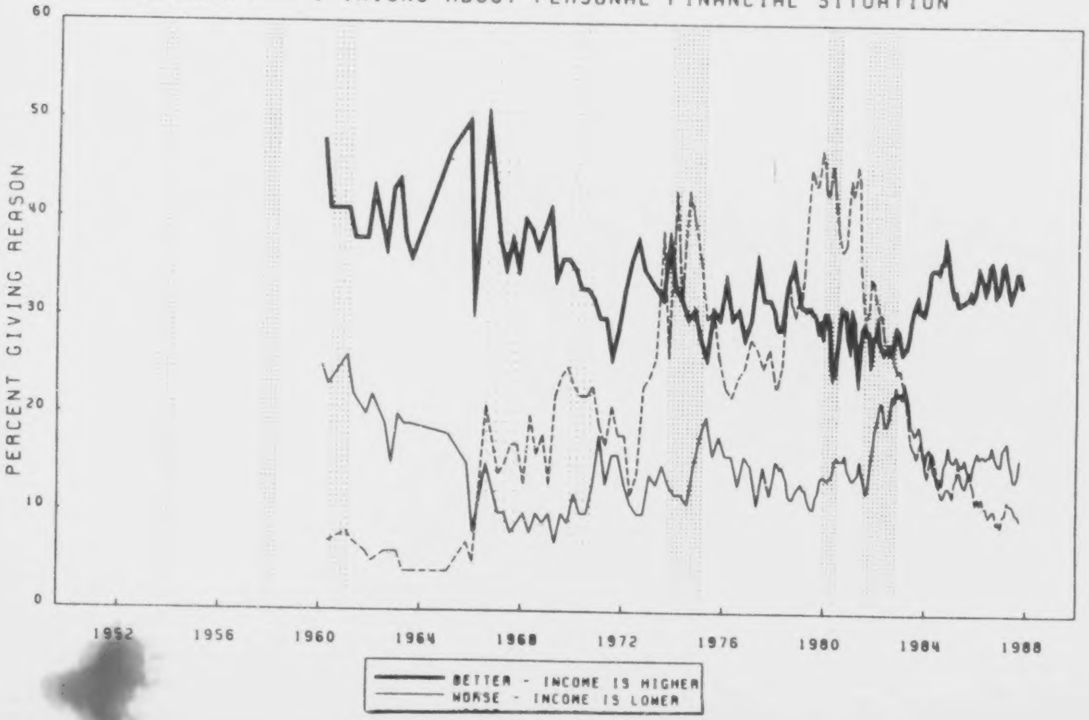


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	34%	35%	38%	35%	31%	34%	32%	33%	36%	36%	33%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	15	16	15	20	17	16	15	14	12	15	16	17
Higher prices	9	8	12	7	12	12	11	11	12	10	9	12	8

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

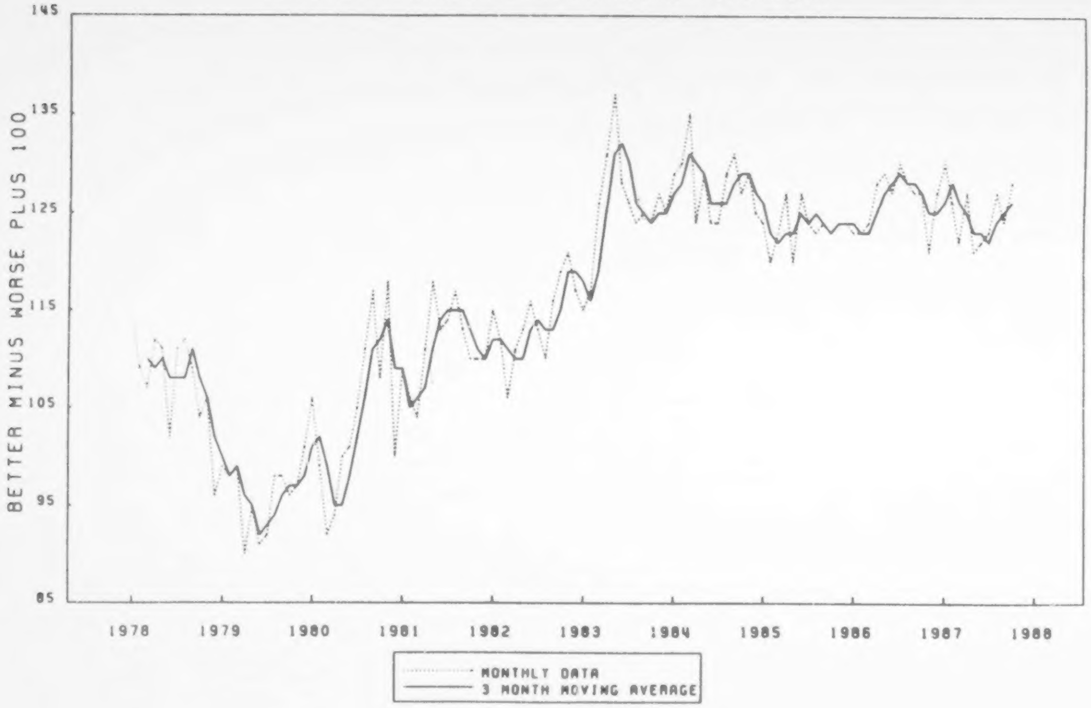


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

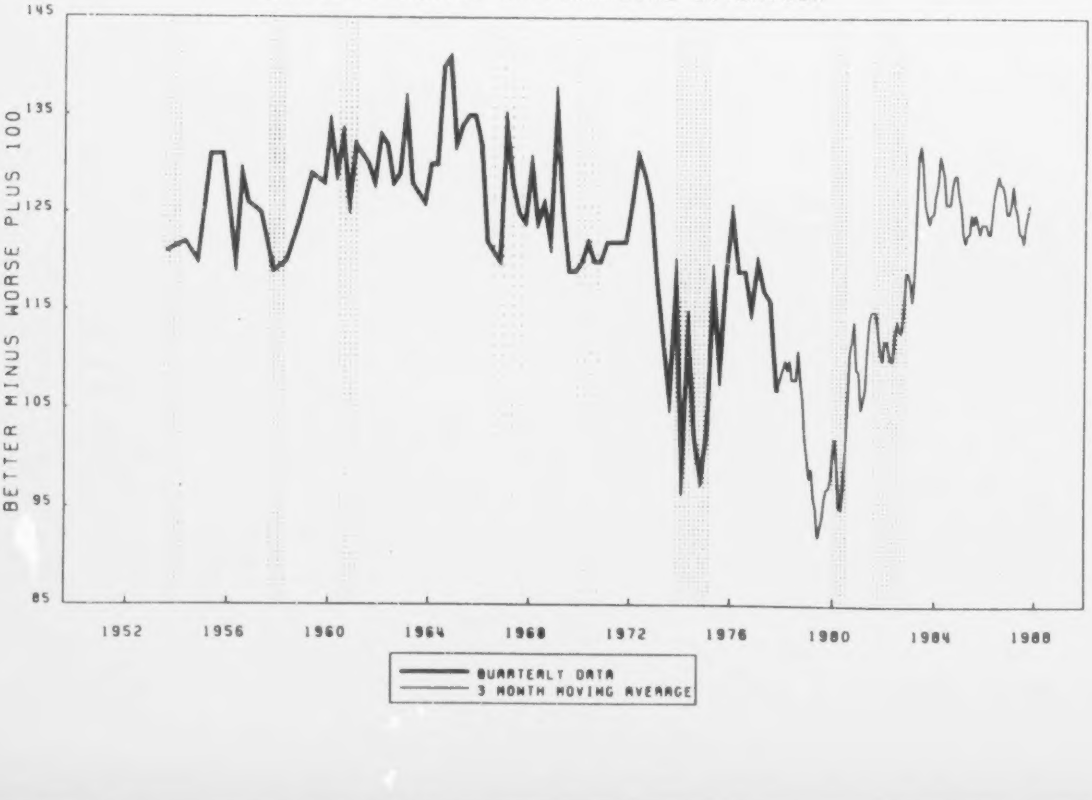


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
BETTER OFF	37%	33%	36%	39%	38%	33%	37%	32%	33%	34%	39%	35%	37%
SAME	51	52	52	48	48	53	49	54	53	52	46	49	51
WORSE OFF	10	12	9	9	12	11	10	11	11	11	12	11	9
DK,NA	2	3	3	4	2	3	4	3	3	3	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

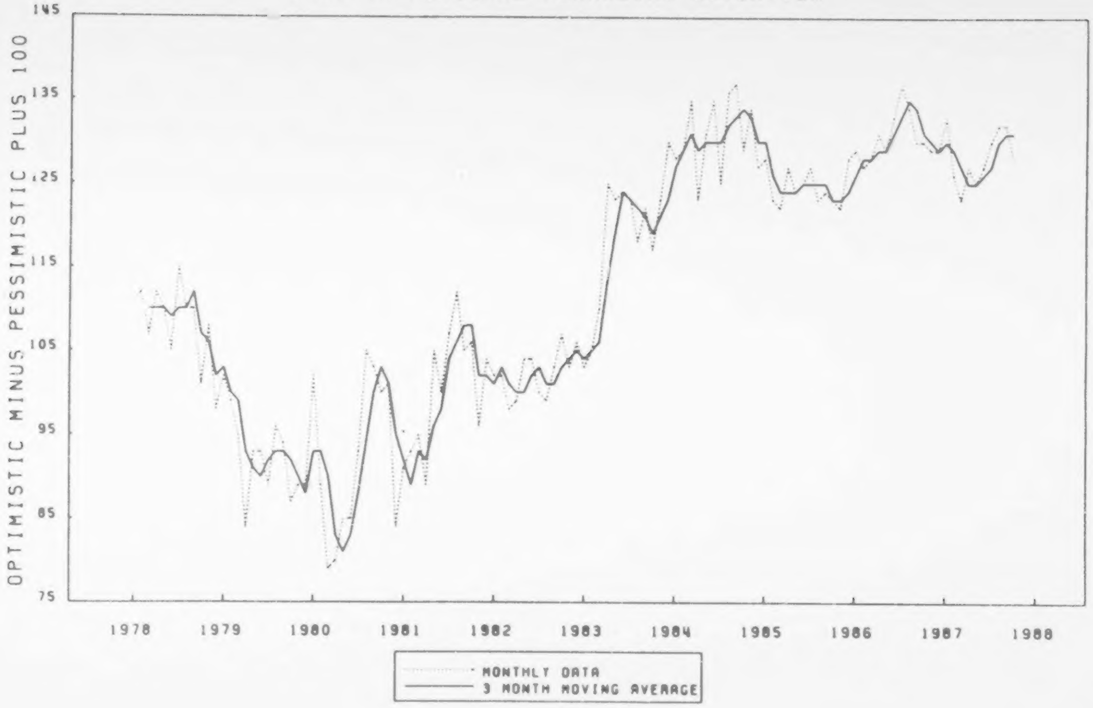


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

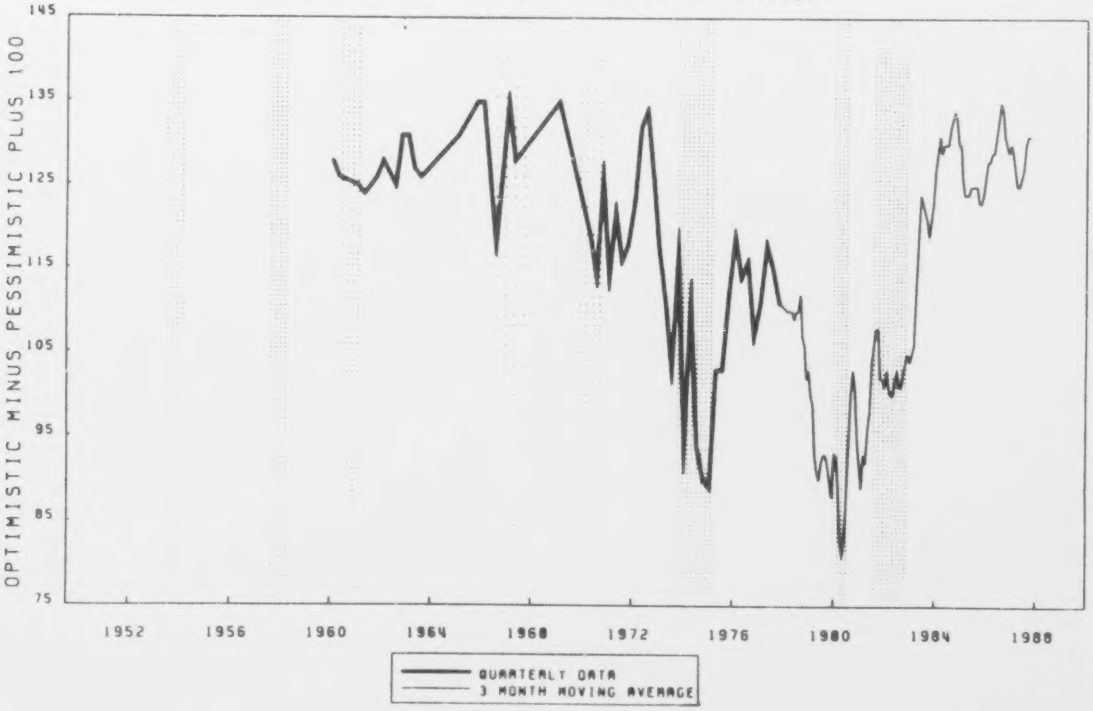


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	18%	18%	22%	22%	19%	19%	17%	18%	19%	23%	18%	23%
Intermittant increase (b)	27	29	29	28	27	25	28	28	31	29	29	31	24
Remain unchanged (c)	19	22	19	17	15	22	17	20	17	20	16	19	21
Intermittant decline (d)	16	13	14	14	17	16	17	16	17	14	16	12	15
Continuous decline (e)	3	5	4	3	6	5	3	4	5	4	4	5	4
Mixed change (f)	11	10	13	12	11	10	12	12	8	10	9	10	10
DK,NA	2	3	3	4	2	3	4	3	4	4	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

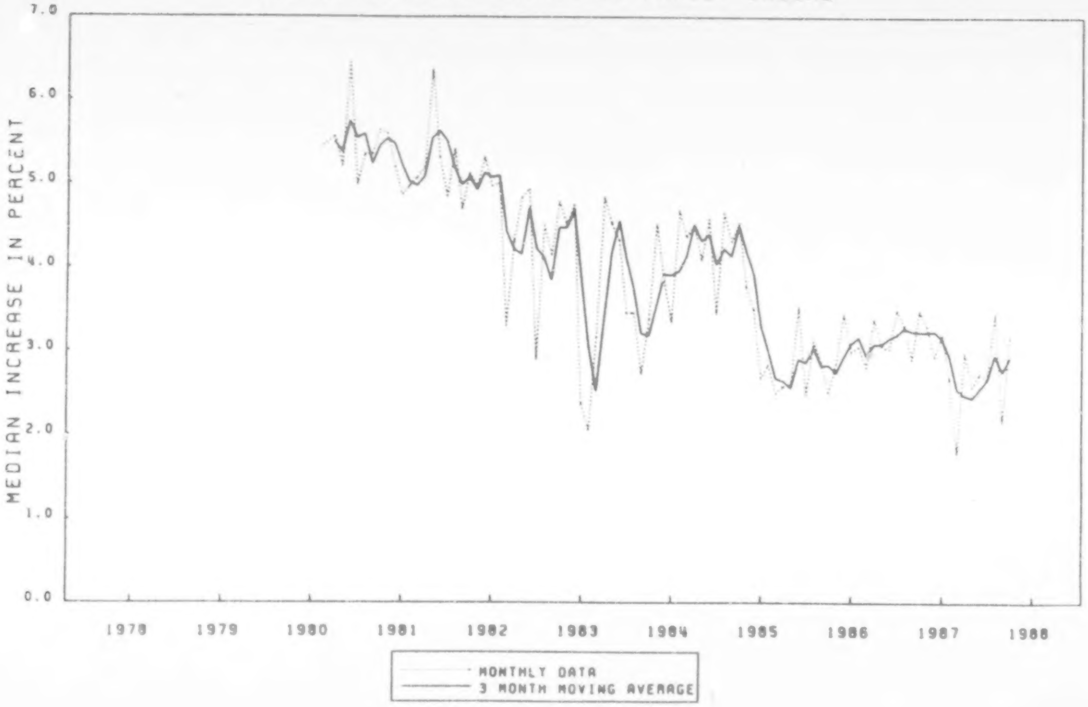


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

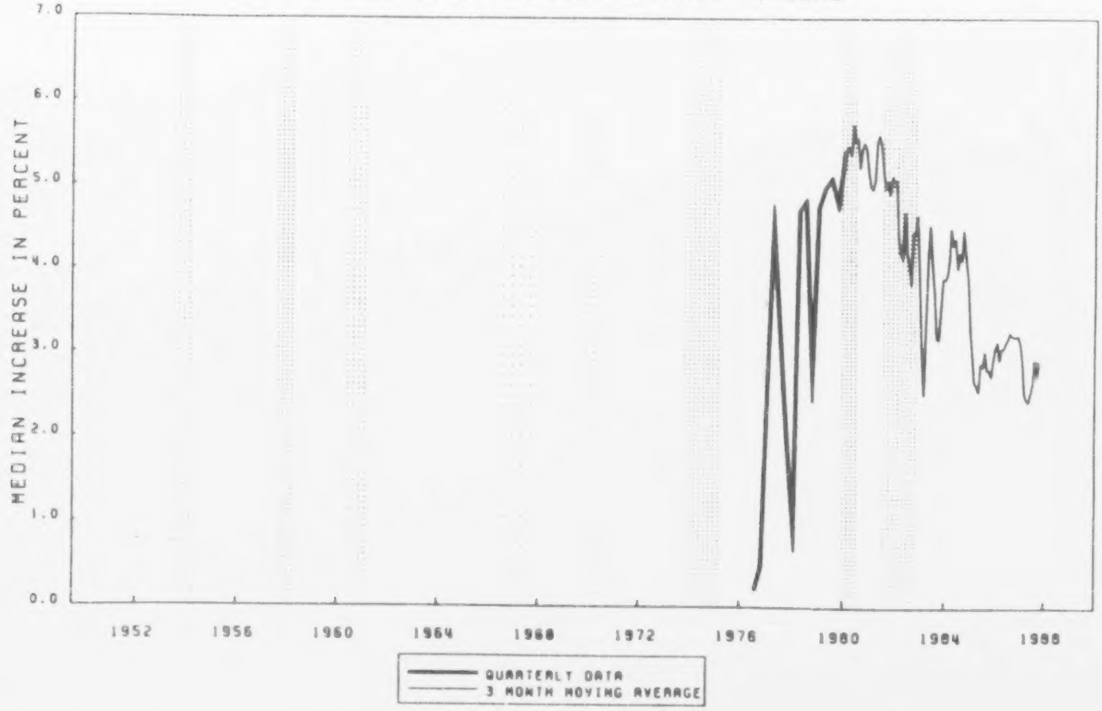


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
EXPECT INCREASE:													
1-4%	14%	17%	18%	16%	15%	17%	15%	18%	21%	18%	17%	17%	15%
5%	12	13	12	11	12	11	9	9	9	9	12	13	10
6-9%	6	9	8	8	5	7	8	8	10	7	6	6	9
10-24%	19	15	14	17	15	11	19	14	13	16	17	10	15
25% or more	7	6	6	6	6	5	5	6	5	6	8	6	5
DK how much up	3	4	4	4	6	6	4	3	4	4	4	5	6
EXPECT SAME	26	23	26	25	27	28	27	26	26	27	23	30	25
EXPECT DOWN	12	12	12	12	14	15	13	15	12	13	11	11	13
DK,NA	1	1	*	1	*	*	*	1	*	*	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

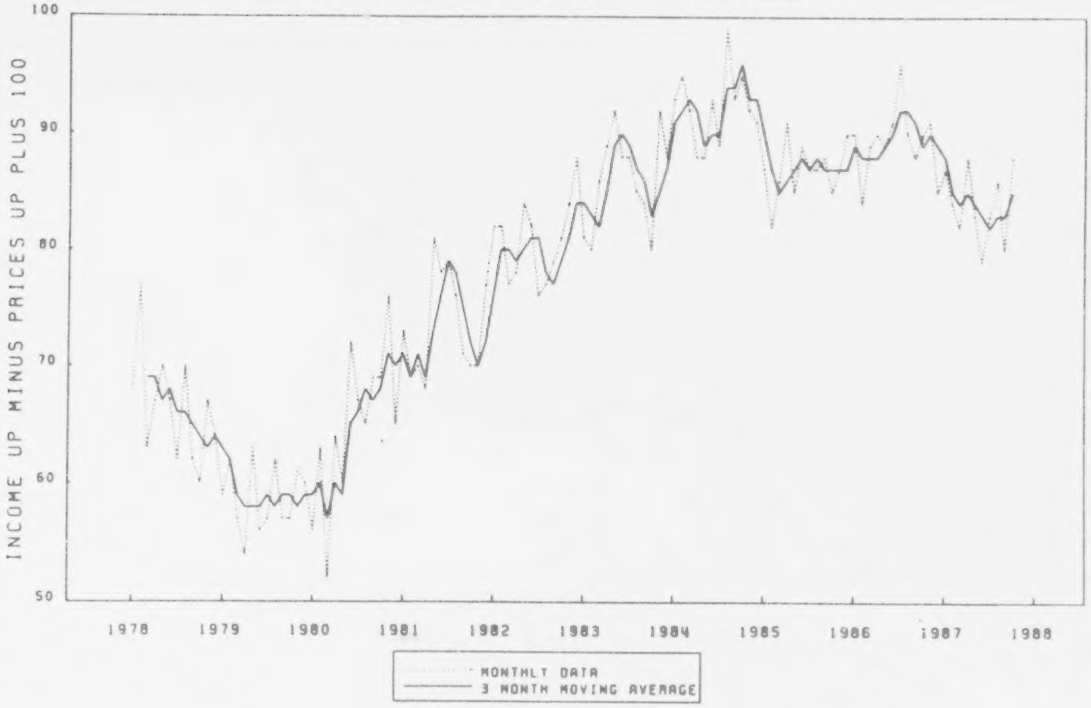


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

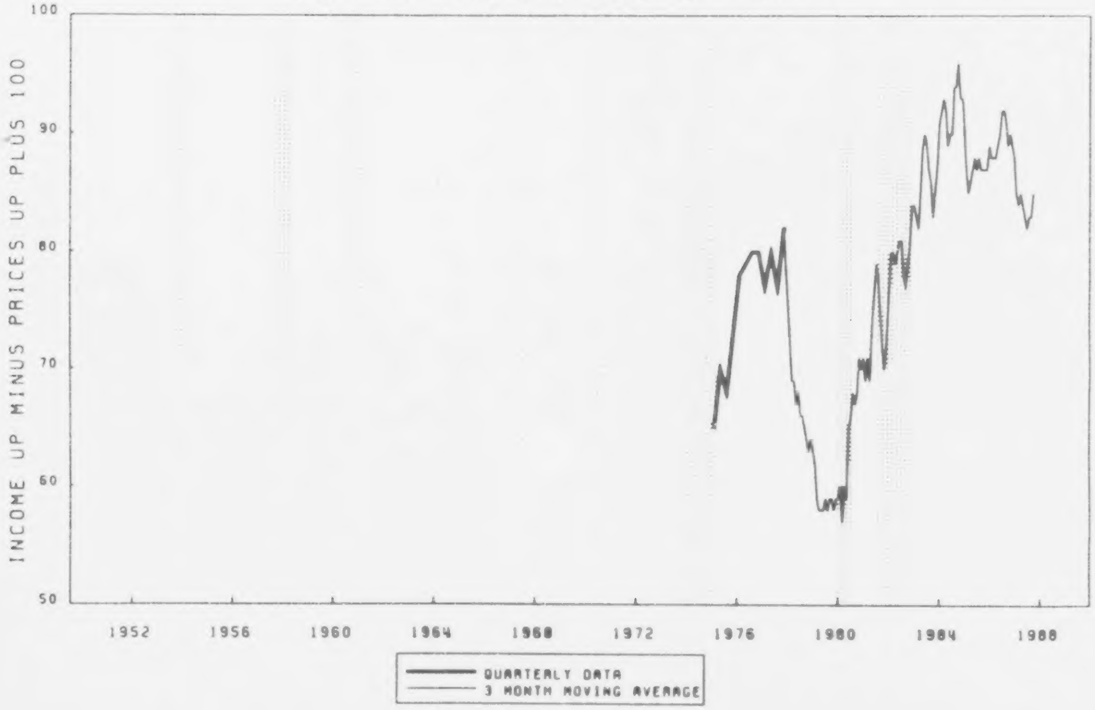


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
INCOME UP MORE	22%	21%	19%	22%	20%	18%	21%	17%	17%	17%	21%	18%	20%
INCOME UP SAME	45	47	45	41	42	44	44	48	44	47	42	42	45
PRICES UP MORE	32	30	34	35	36	36	33	34	38	34	35	38	32
DK,NA	1	2	2	2	2	2	2	1	1	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

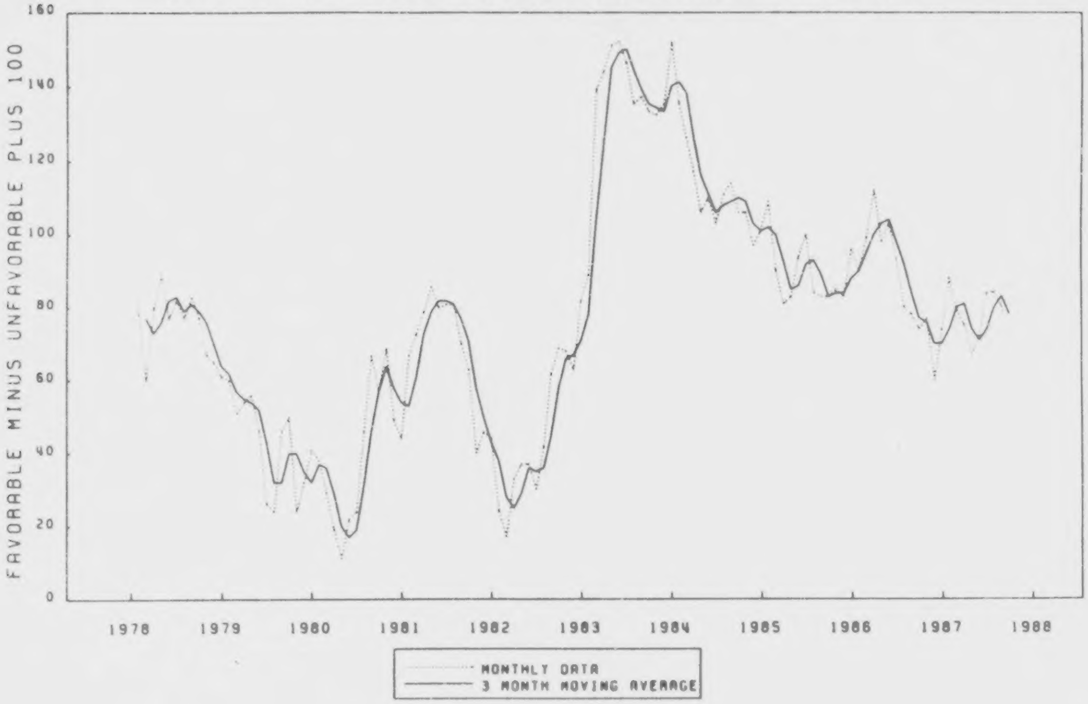


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

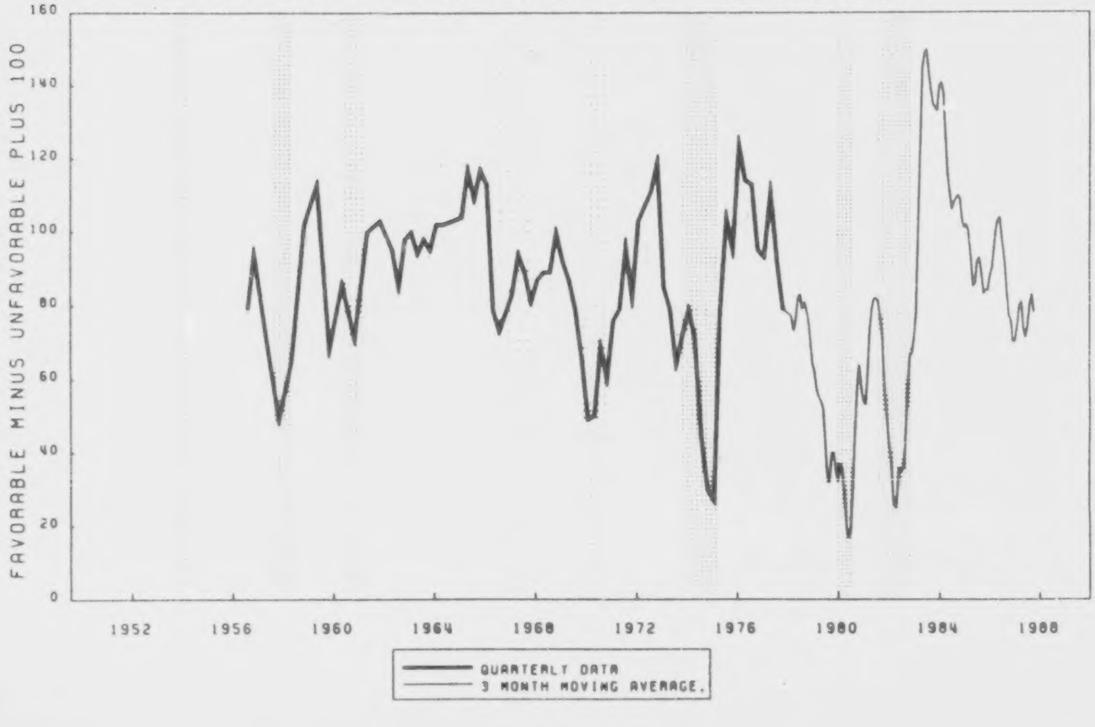


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
FAVORABLE NEWS	26%	30%	22%	26%	36%	27%	27%	26%	29%	29%	32%	24%	25%
UNFAVORABLE NEWS	52	53	62	52	48	48	52	59	57	45	48	44	54
NO MENTIONS	48	47	44	44	45	49	46	44	42	50	47	53	47

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

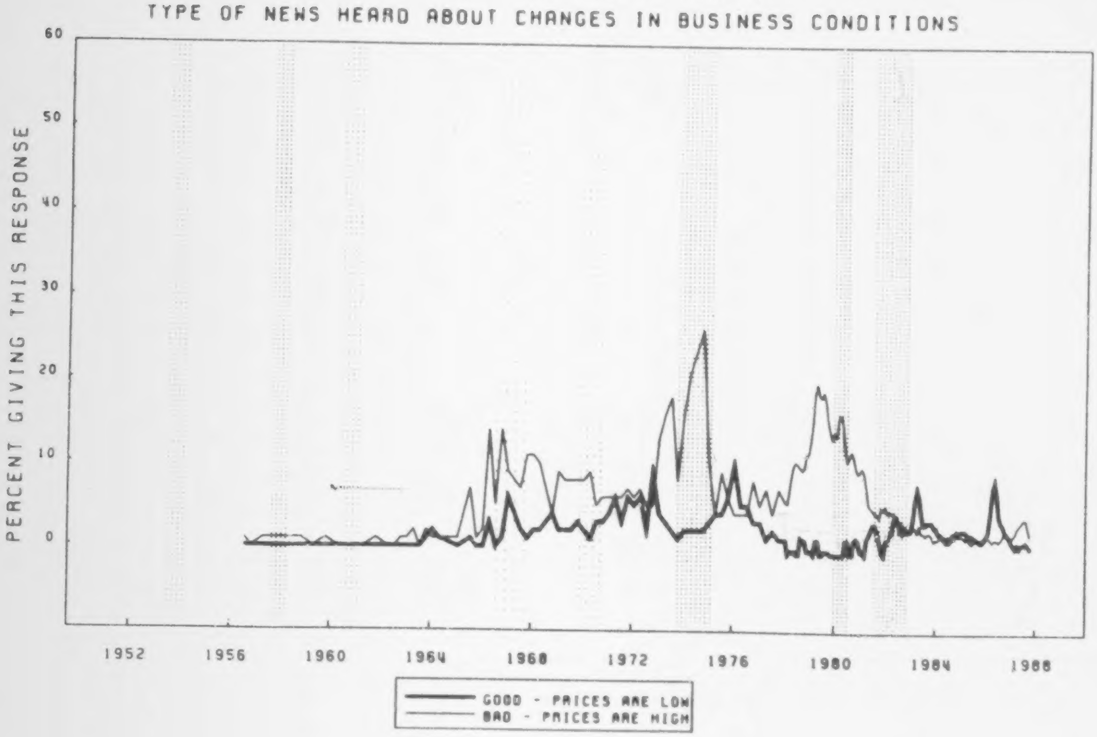


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

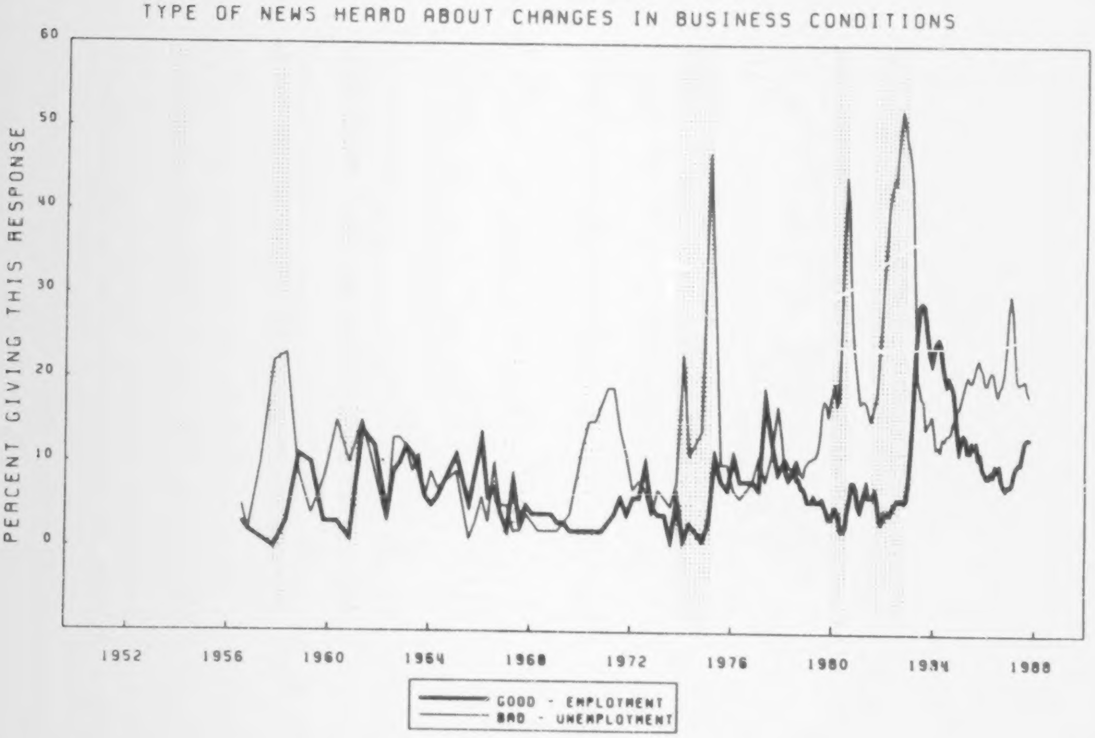


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
FAVORABLE NEWS:													
Government; elections	1%	3%	1%	2%	2%	2%	3%	1%	2%	2%	3%	1%	*
Employment	7	9	7	7	10	11	9	11	11	13	15	12	13
Higher consumer demand	3	2	2	3	3	1	1	1	2	*	1	*	1
Lower prices	2	2	1	*	1	*	1	*	1	1	1	*	*
Easier credit	8	5	5	5	6	4	2	3	3	2	1	1	1
UNFAVORABLE NEWS:													
Government; elections	8	6	8	9	5	7	7	7	7	5	5	3	5
Unemployment	23	29	33	29	23	20	18	21	21	18	22	17	16
Lower consumer demand	2	2	4	2	3	2	2	2	3	3	2	1	3
Higher prices	2	1	2	1	2	3	3	3	4	4	3	1	1
Tighter credit	*	1	1	1	1	1	4	6	7	4	2	5	6
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

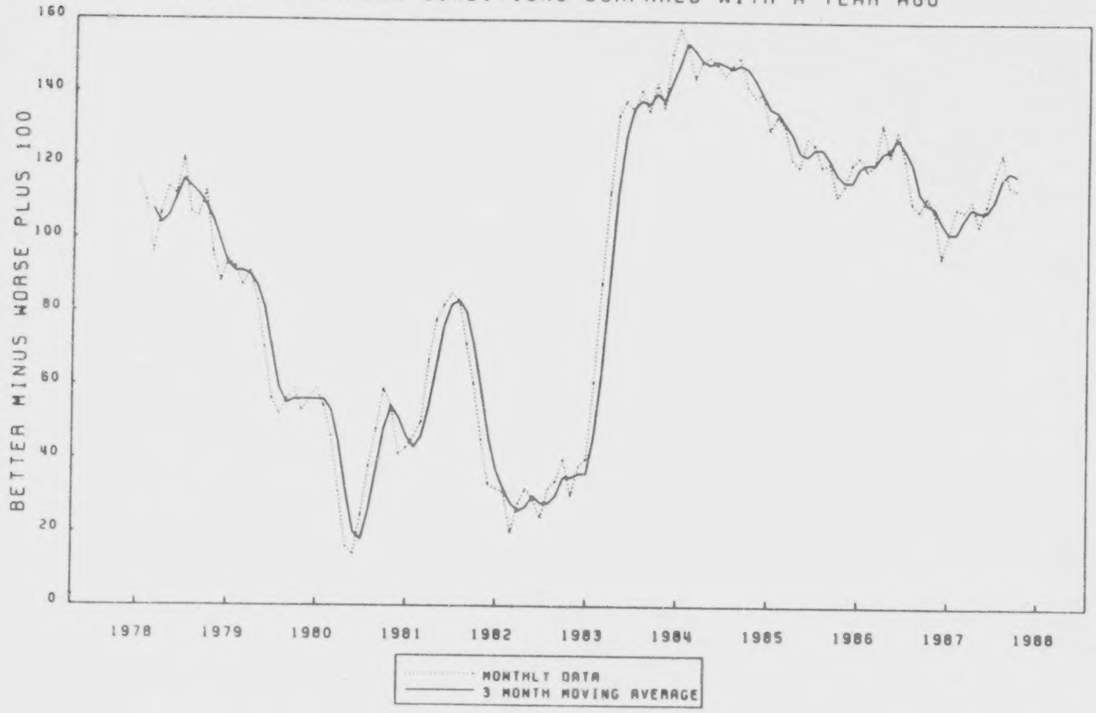


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

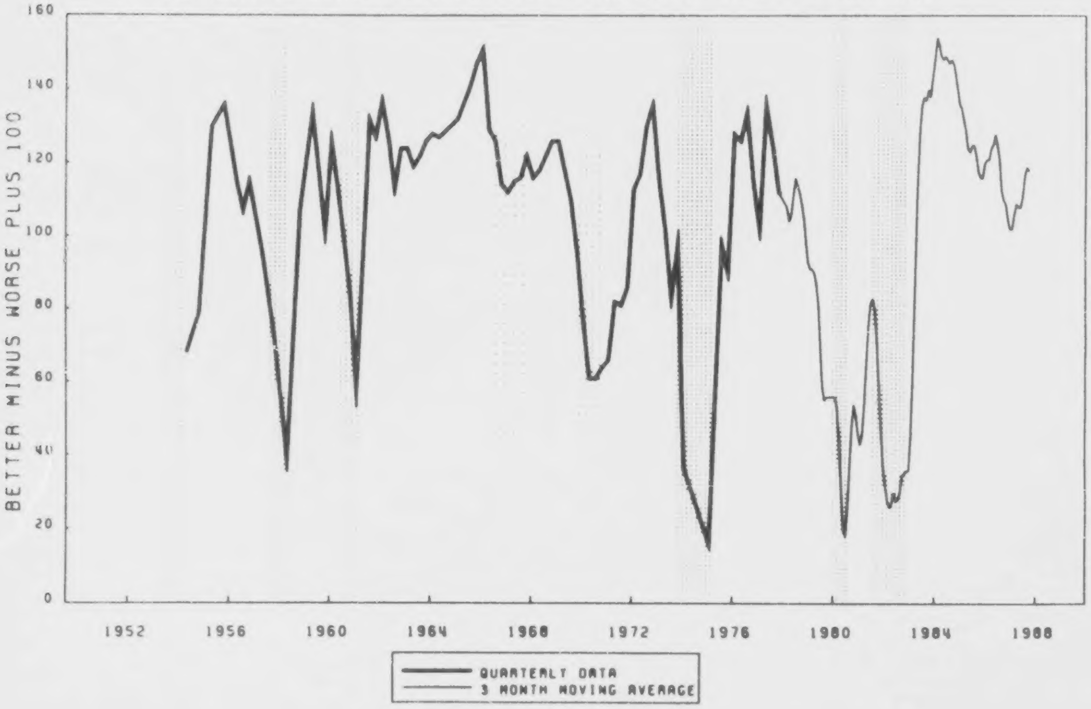


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
BETTER NOW	47%	45%	40%	43%	47%	45%	46%	43%	46%	50%	54%	49%	49%
SAME	15	16	13	14	14	17	17	16	16	16	14	14	14
WORSE NOW	35	37	45	41	38	37	35	39	36	32	30	34	35
DK,NA	3	2	2	2	1	1	2	2	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

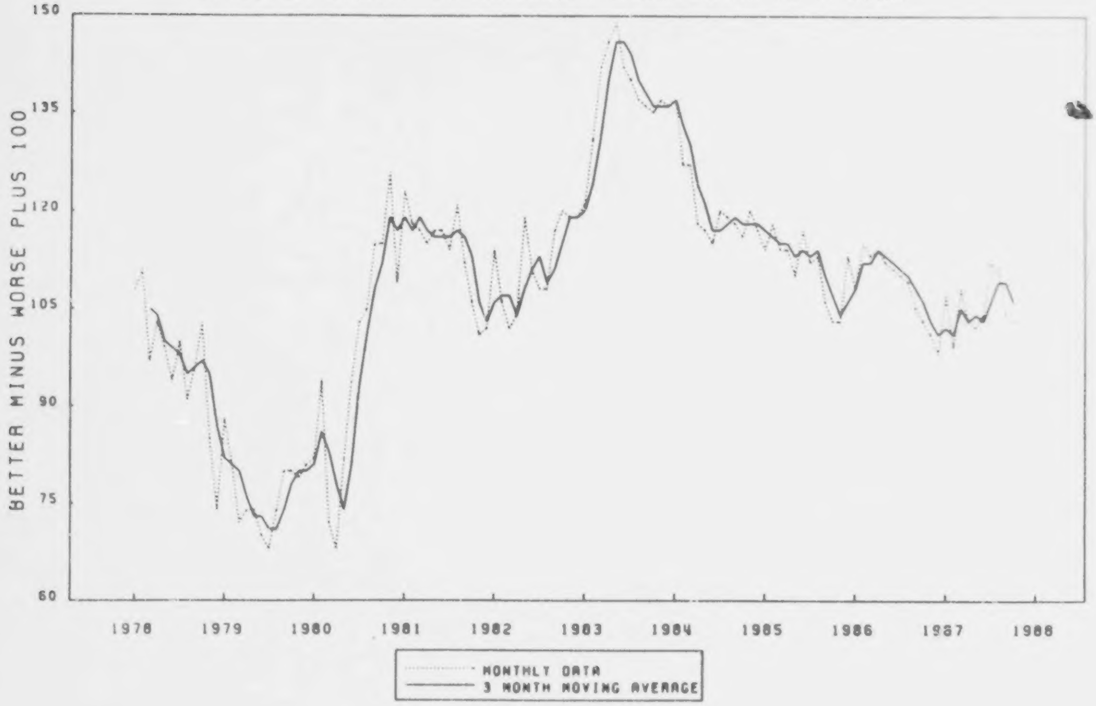


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

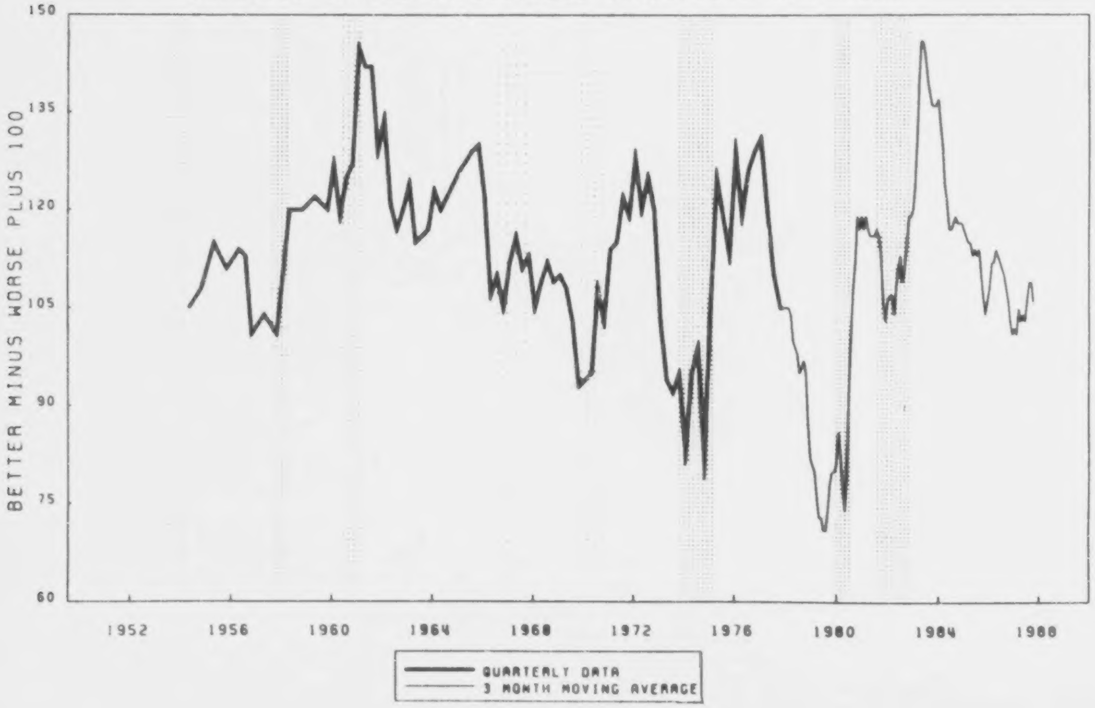


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
BETTER	21%	20%	20%	24%	22%	22%	21%	22%	23%	26%	25%	21%	22%
SAME	59	59	56	58	54	61	60	57	57	56	57	58	57
WORSE	18	19	22	17	23	14	18	20	19	14	14	17	19
DK,NA	2	2	2	1	1	3	1	1	1	4	4	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

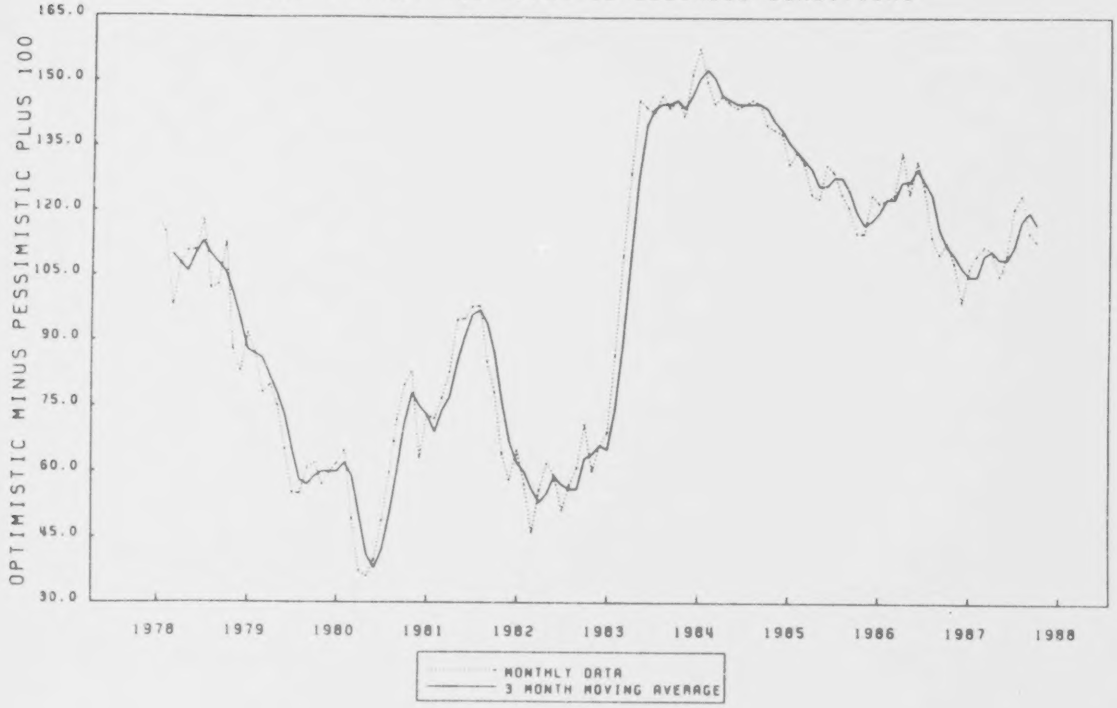


CHART 14 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

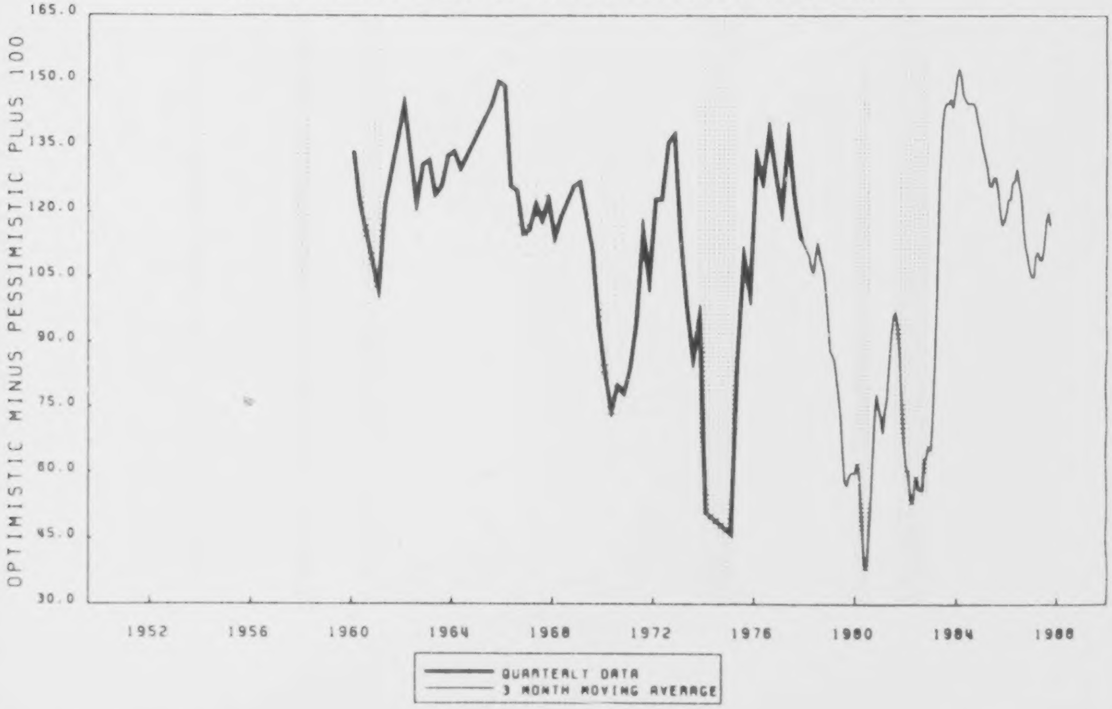


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
TREND:													
Continuous increase (a)	13%	12%	12%	15%	14%	13%	13%	12%	14%	17%	19%	14%	16%
Intermittant increase (b)	31	30	27	27	32	32	30	28	28	33	33	32	29
Remain unchanged (c)	10	10	10	10	7	11	11	10	11	9	9	9	10
Intermittant decline (d)	21	23	23	24	21	23	22	24	21	19	20	21	21
Continuous decline (e)	10	11	17	11	15	10	10	11	11	10	8	10	11
Mixed change (f)	11	11	7	10	9	7	10	12	12	7	6	9	10
DK,NA	4	3	4	3	2	4	4	3	3	5	5	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

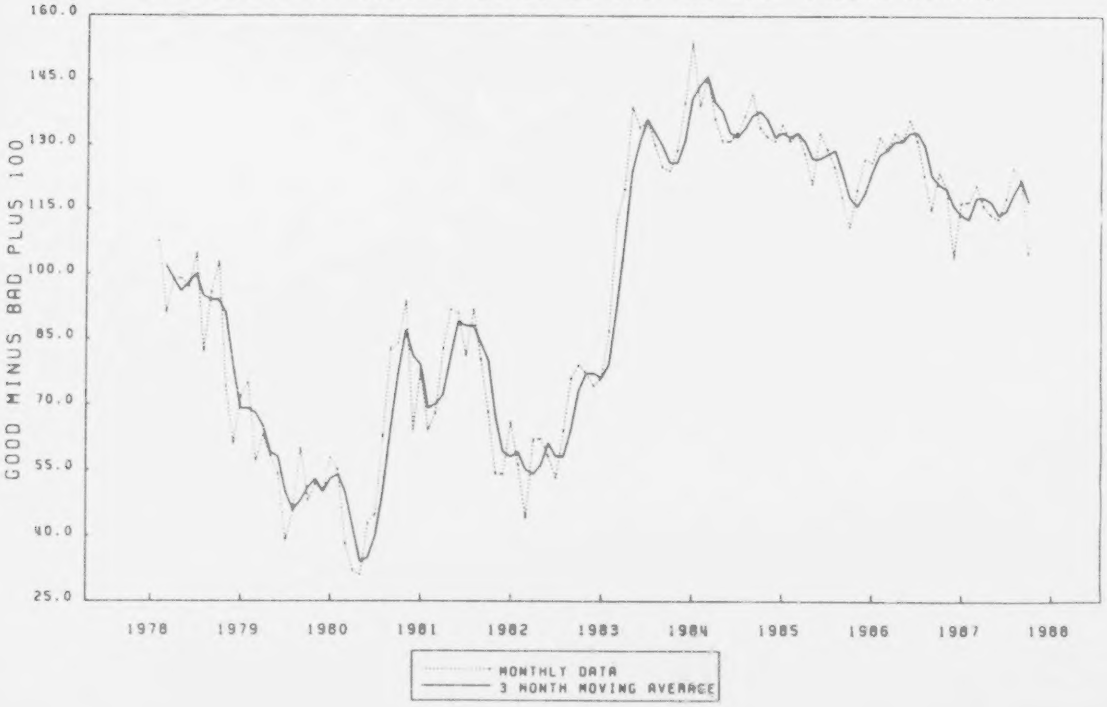


CHART 15 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

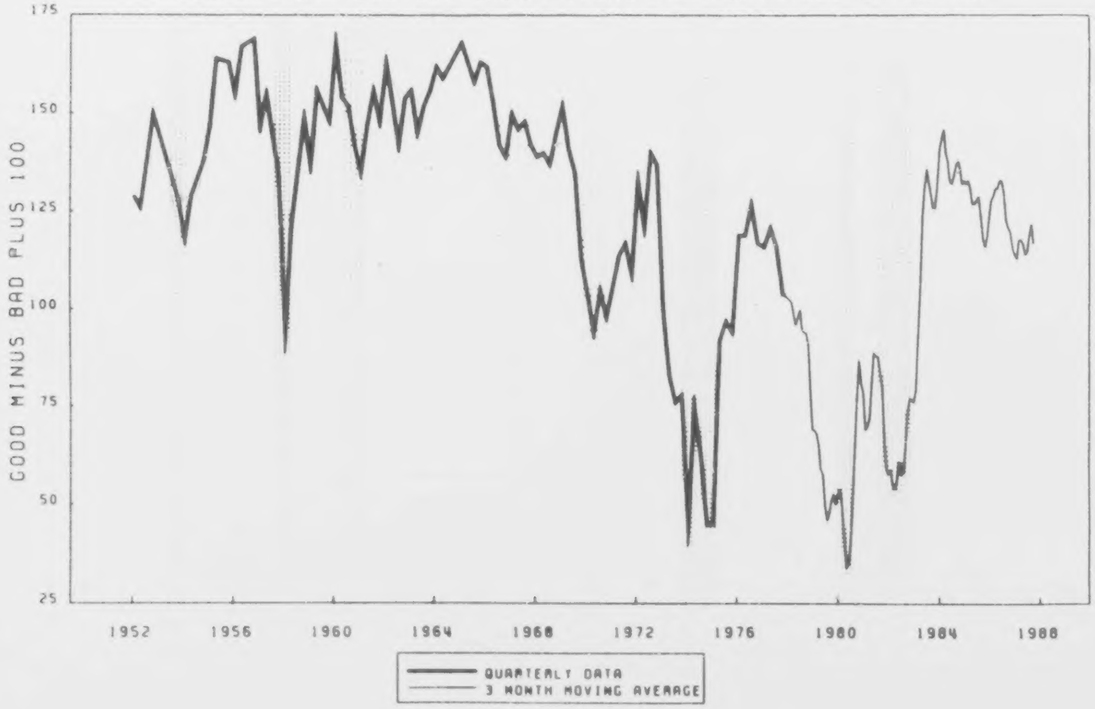


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIMES	55%	53%	45%	53%	53%	55%	51%	51%	50%	51%	55%	51%	43%
UNCERTAIN; GOOD & BAD	3	3	2	3	1	2	2	1	2	2	3	5	3
BAD TIMES	31	33	41	36	36	34	35	37	37	33	30	29	38
DON'T KNOW	4	5	5	4	5	5	8	5	5	7	7	7	7
NOT ASCERTAINED	7	6	7	4	5	4	4	6	6	7	5	8	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

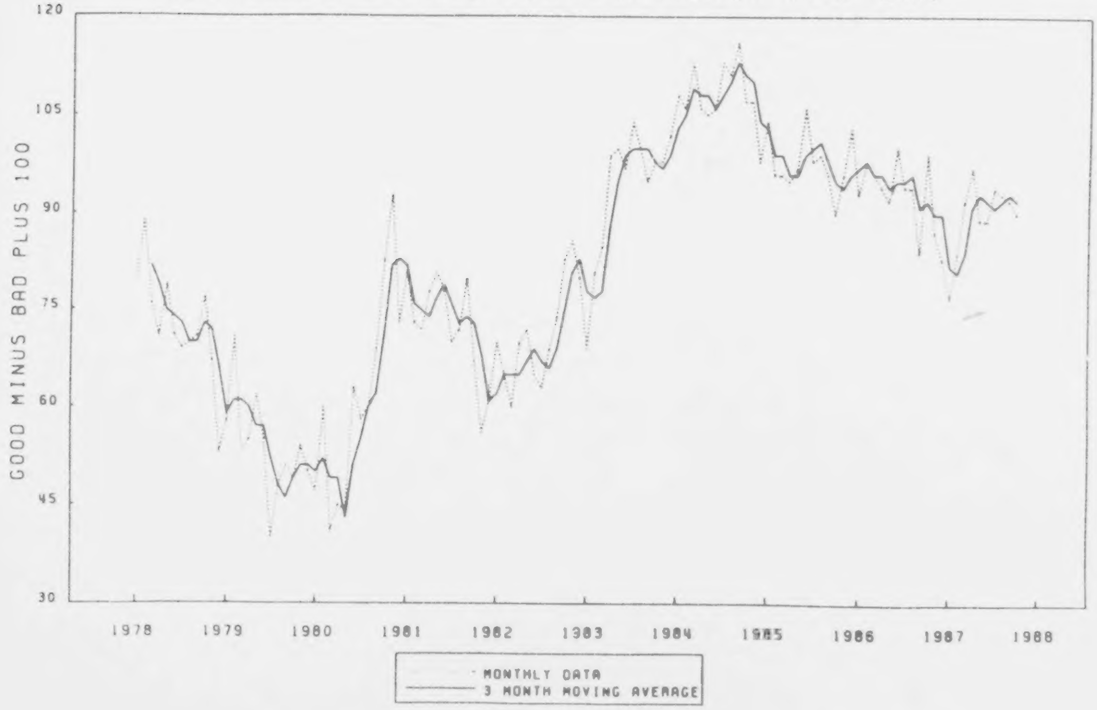


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

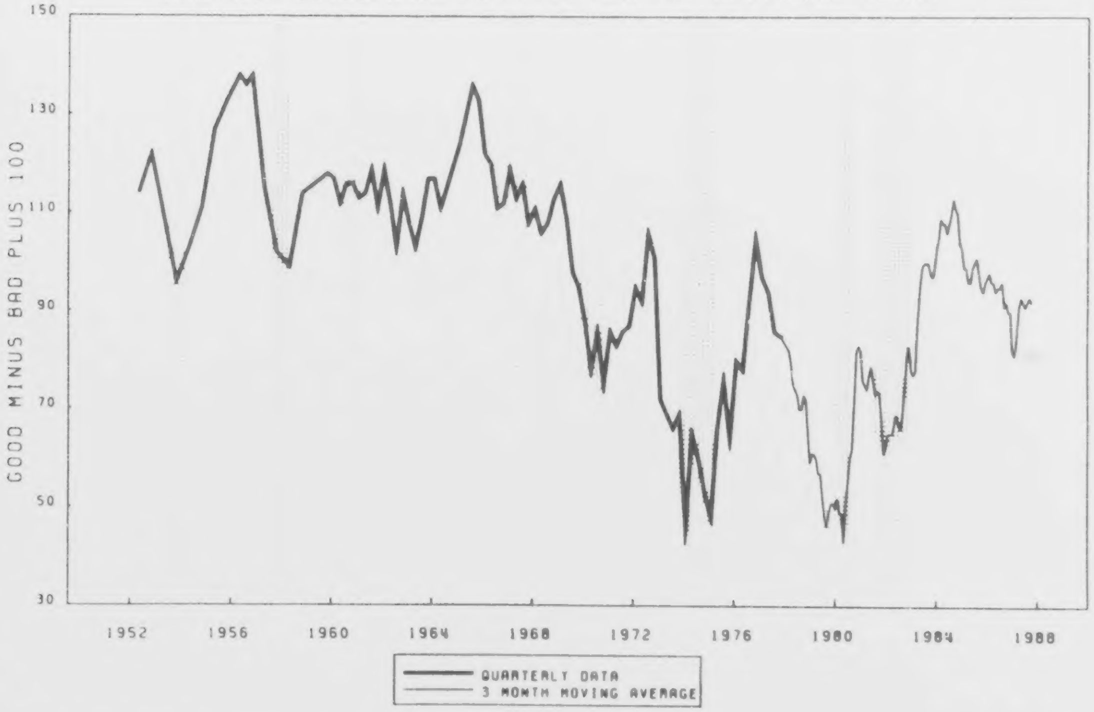


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIMES	41%	35%	33%	30%	34%	39%	41%	36%	37%	36%	36%	37%	36%
UNCERTAIN; GOOD & BAD	13	14	13	13	12	10	9	13	9	15	16	13	12
BAD TIMES	42	48	50	53	50	47	44	47	48	42	43	45	46
NOT ASCERTAINED	4	3	4	4	4	4	6	4	6	7	5	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

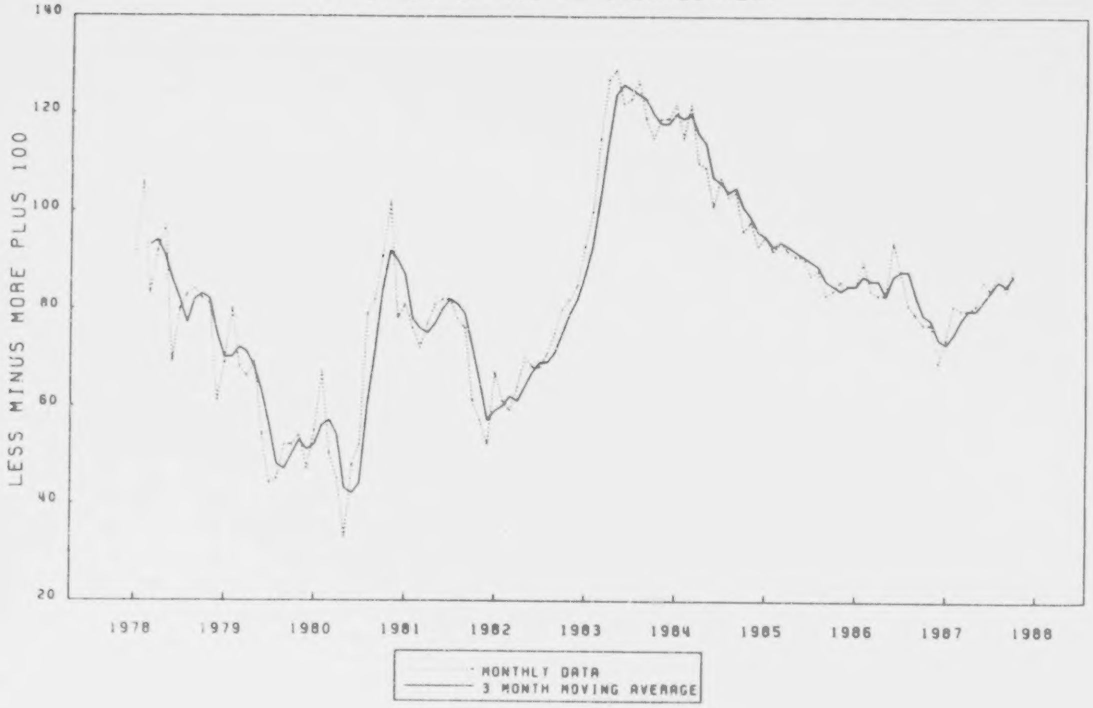


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

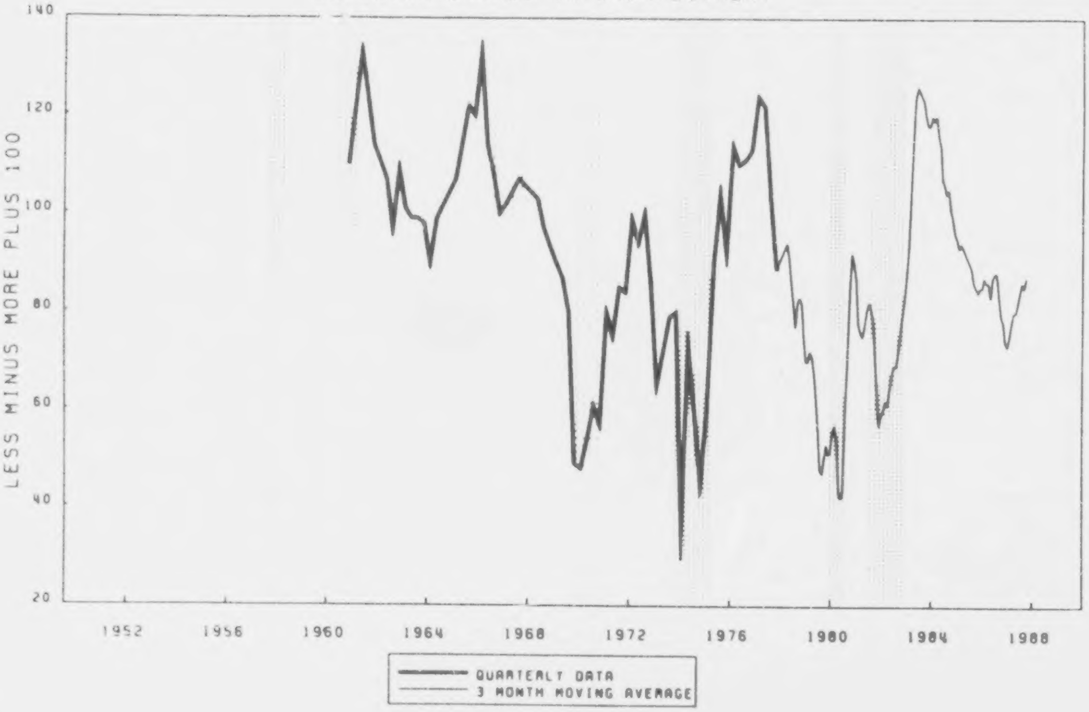


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
LESS	10%	11%	11%	12%	14%	15%	13%	13%	16%	14%	15%	13%	17%
SAME	55	54	46	49	52	48	52	53	52	55	56	57	52
MORE	33	34	42	38	33	35	33	32	30	30	27	29	29
DK,NA	2	1	1	1	1	2	2	2	2	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

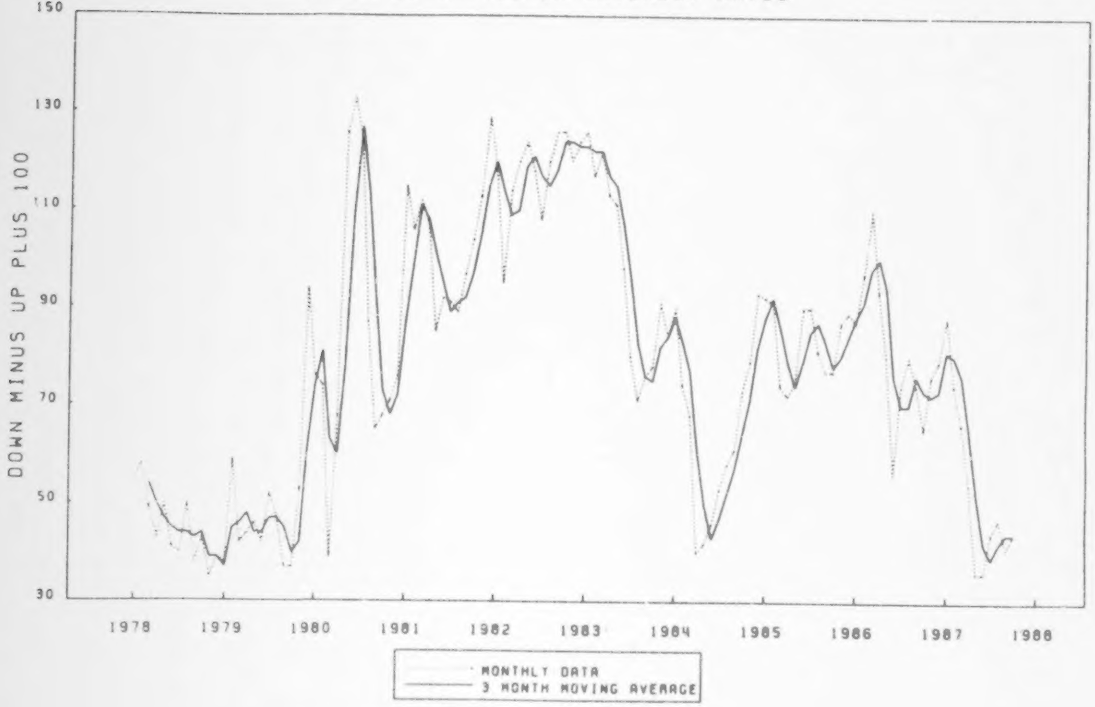


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

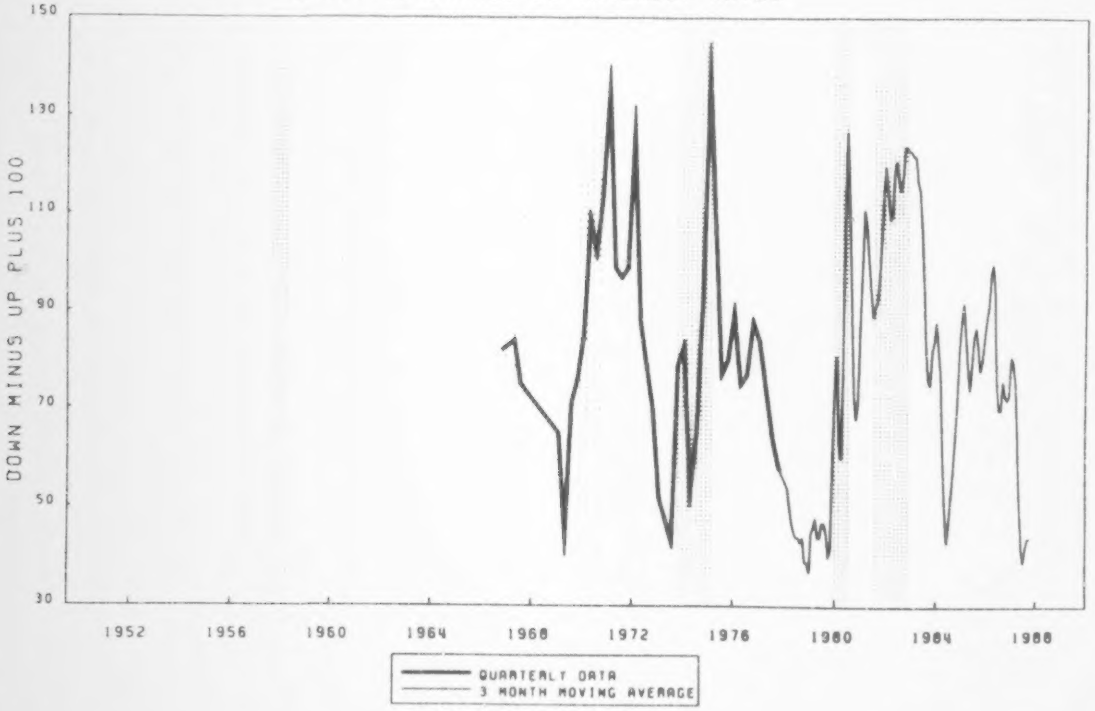


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GO UP	50%	43%	41%	37%	43%	49%	57%	71%	69%	64%	62%	66%	67%
STAY THE SAME	33	37	37	35	38	33	29	21	24	26	27	24	20
GO DOWN	15	19	20	25	17	15	11	7	5	8	9	7	11
DK,NA	2	1	2	3	2	3	3	1	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

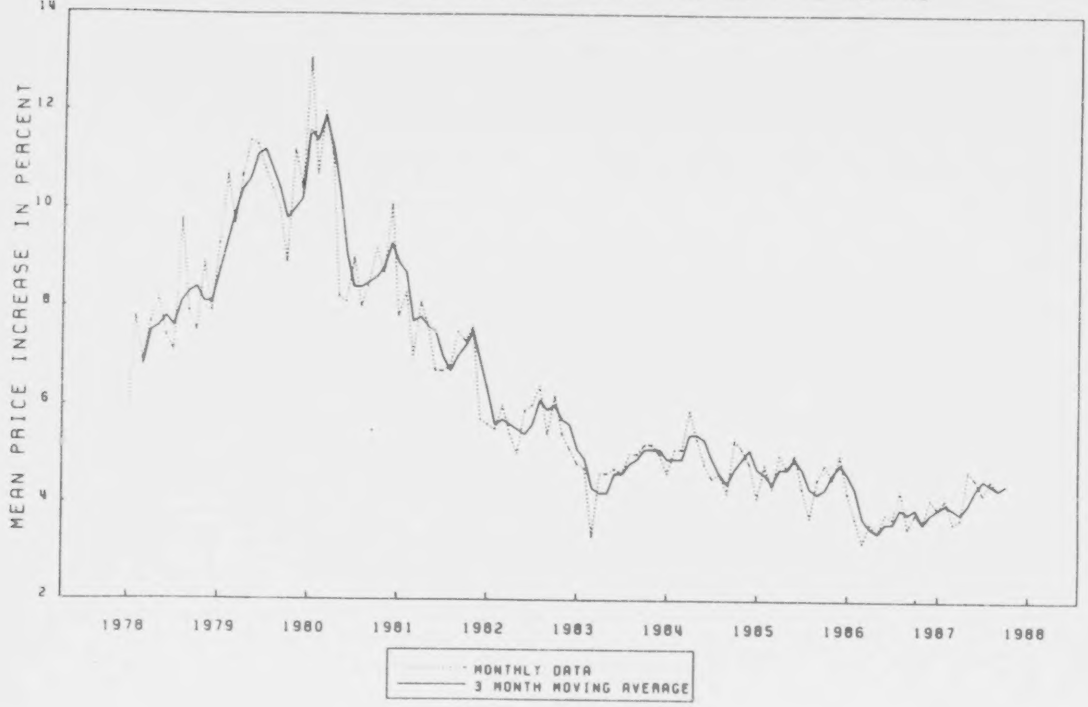


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

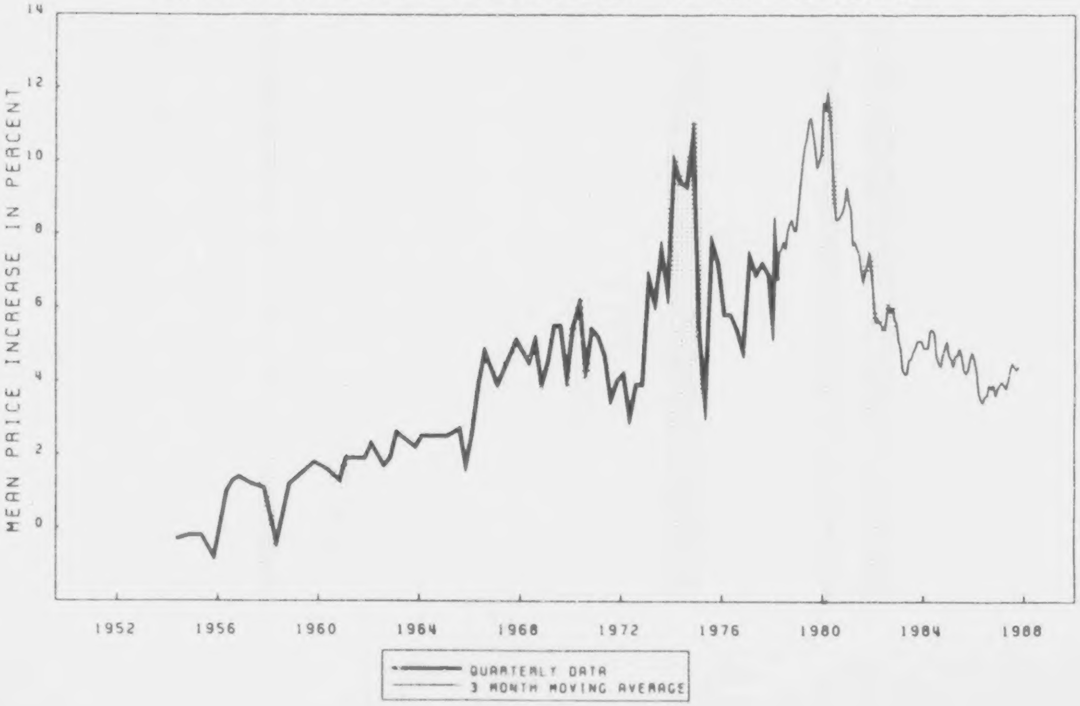


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
SAME OR DOWN	22%	22%	20%	20%	21%	21%	19%	15%	14%	17%	13%	17%	15%
WILL GO UP BY:													
1-2%	17	19	18	18	17	19	19	18	18	20	20	20	18
3-4%	19	25	23	24	21	21	23	23	25	23	25	24	23
5%	21	15	17	14	18	18	16	18	17	16	17	16	20
6-9%	5	6	7	6	5	6	8	10	7	7	8	6	7
10-14%	8	7	6	7	9	5	7	7	8	9	6	7	8
15% or more	2	2	4	4	4	3	2	4	4	3	4	3	3
DK how much up	5	3	4	6	5	6	6	4	6	4	6	5	5
DK,NA	1	1	1	1	*	1	*	1	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.8	3.6	4.1	3.9	4.1	3.6	3.7	4.7	4.5	4.2	4.5	4.3	4.4
VARIANCE	17	28	32	25	26	18	21	36	27	28	32	41	28
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

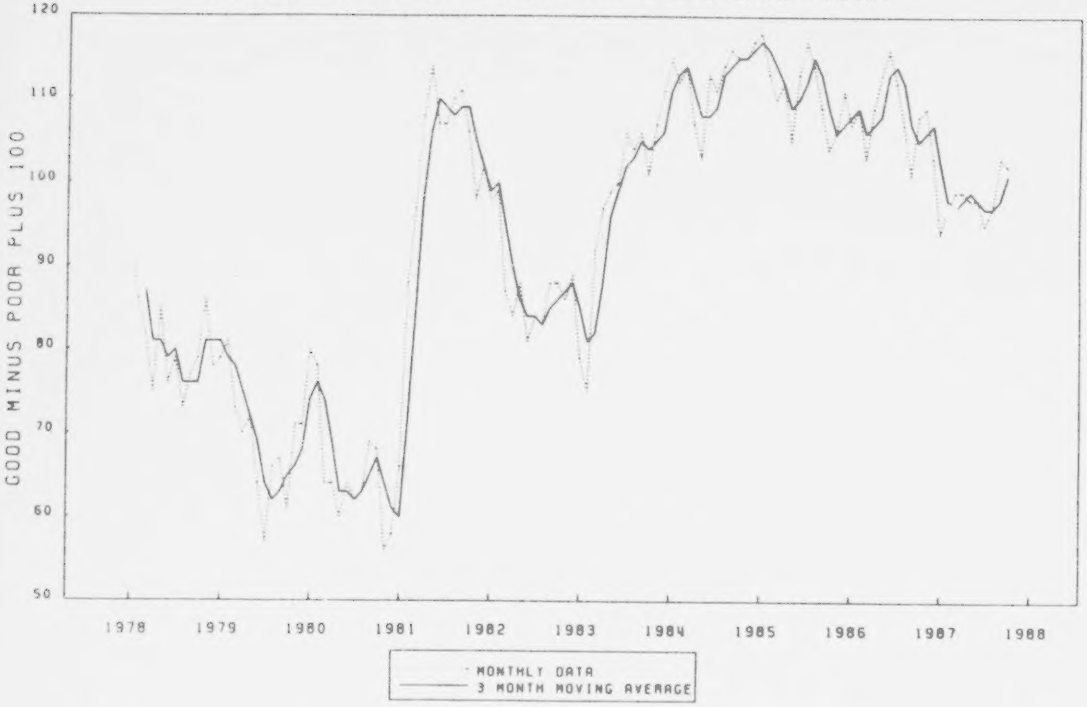


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

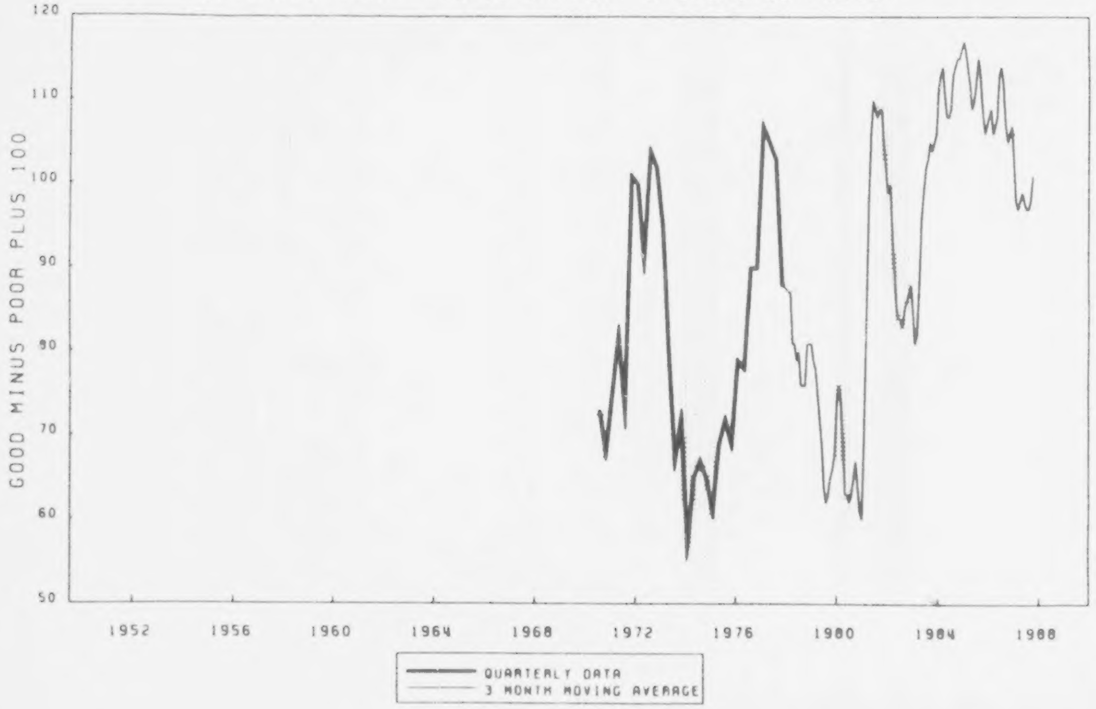


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
A GOOD JOB	27%	28%	26%	20%	23%	23%	21%	21%	23%	21%	23%	23%	25%
ONLY FAIR	52	51	49	52	49	52	55	55	49	52	48	54	48
A POOR JOB	19	19	23	26	26	24	22	23	25	26	26	20	23
DK,NA	2	2	2	2	2	1	2	1	3	1	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

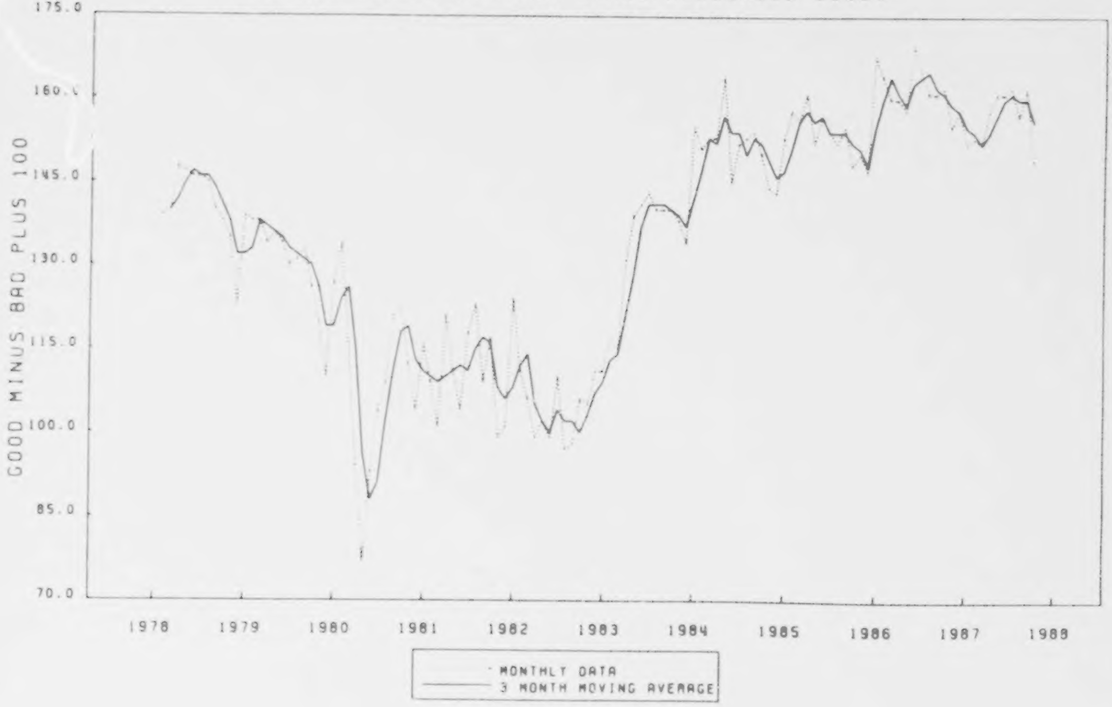


CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

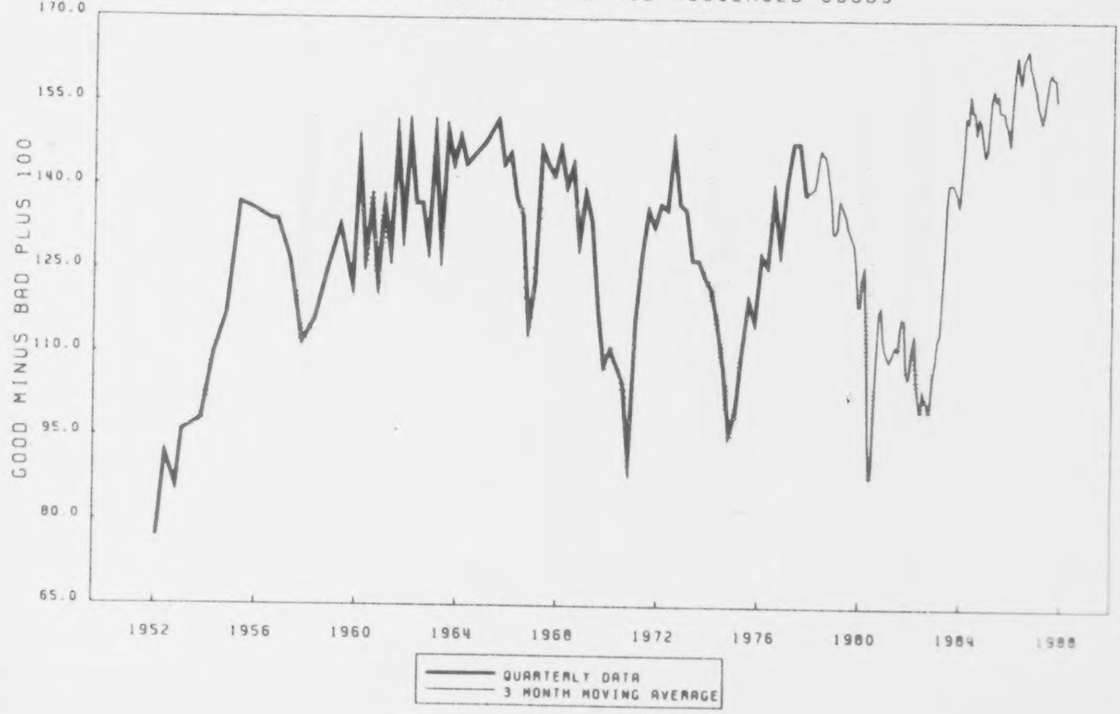


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIME TO BUY	76%	72%	75%	72%	73%	71%	74%	76%	76%	76%	74%	75%	69%
UNCERTAIN, DEPENDS	10	11	8	8	7	10	10	9	9	10	9	12	11
BAD TIME TO BUY	14	17	17	20	20	19	16	15	15	14	17	13	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

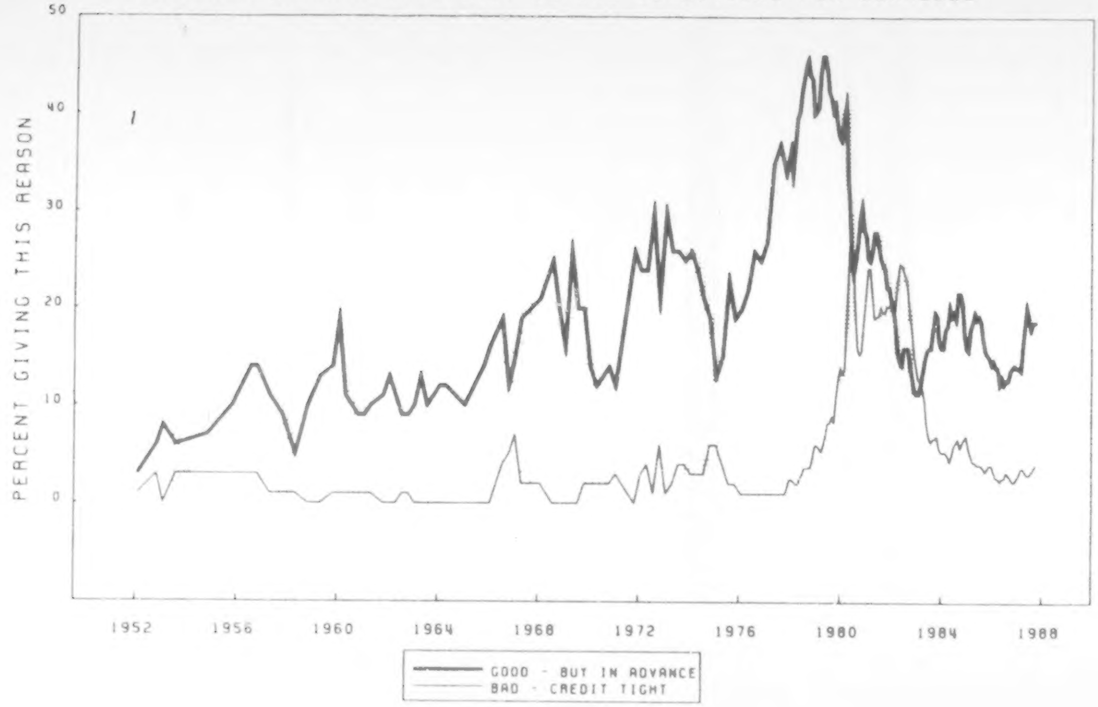


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

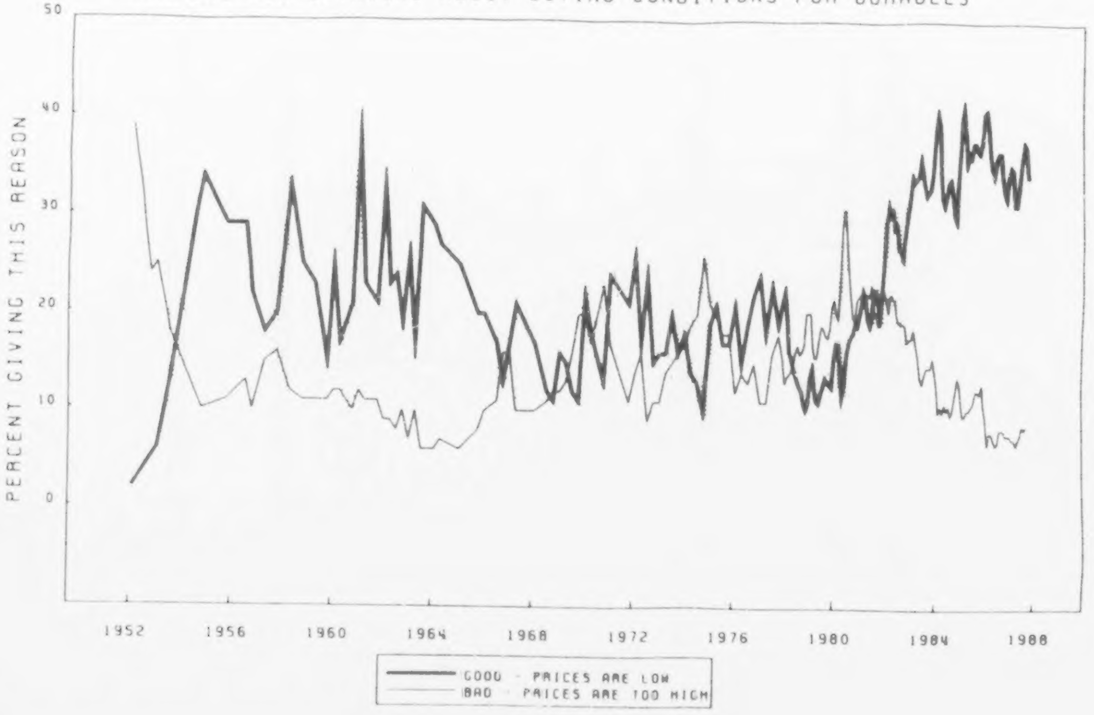


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	30%	33%	40%	33%	32%	29%	33%	38%	37%	38%	37%	28%
Prices won't come down; are going higher	14	14	15	13	14	14	20	20	21	17	16	23	17
Interest rates low; credit is easy	26	25	18	20	21	23	21	19	15	13	18	15	14
BAD TIME TO BUY:													
Prices are high	7	8	8	7	8	7	7	6	9	8	9	8	9
Interest rates are high; credit is tight	2	3	2	3	4	4	3	3	3	3	4	4	4
Lack of purchasing power	7	8	6	8	7	8	5	4	6	5	6	3	10

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

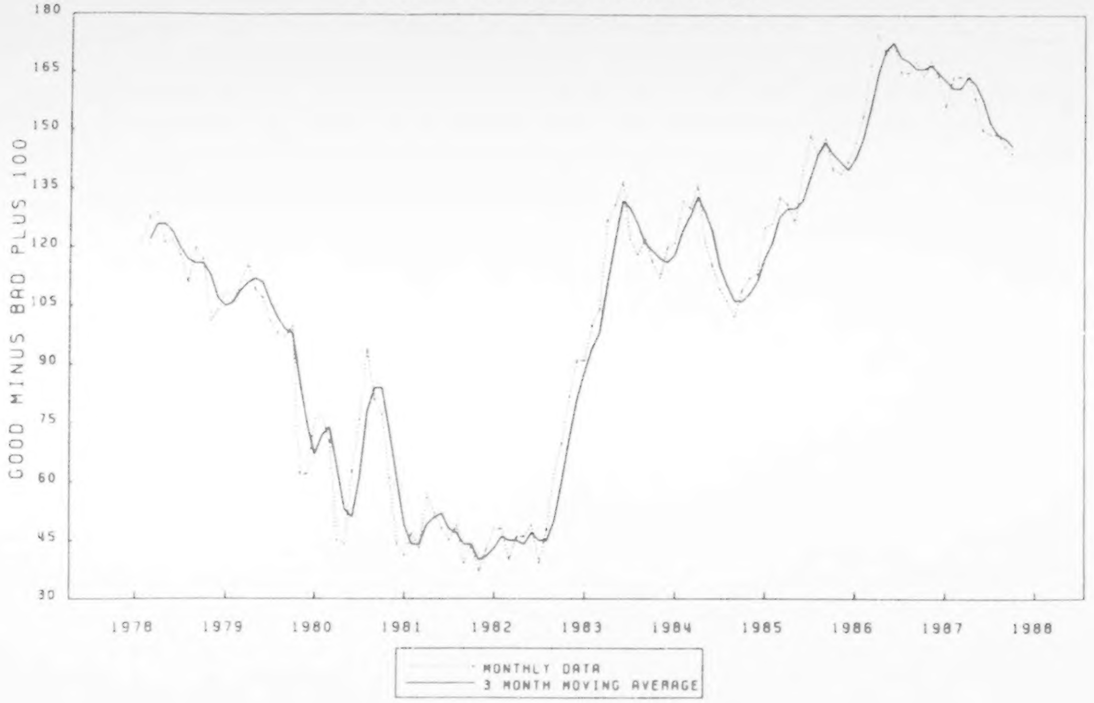


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

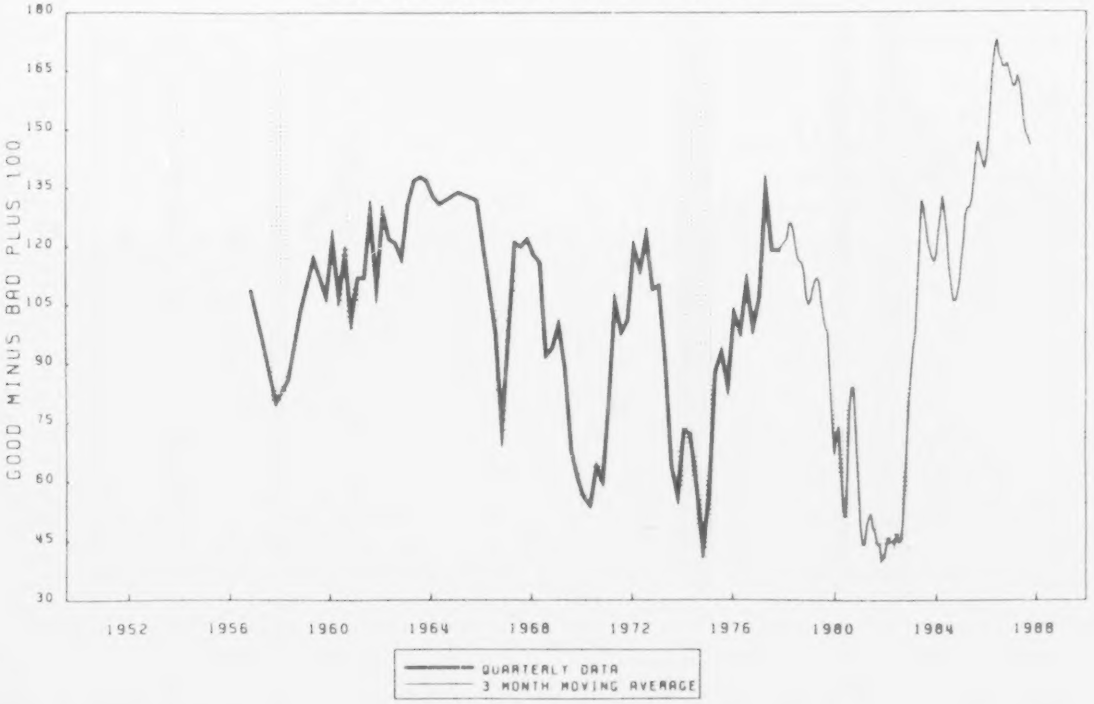


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIME TO BUY	81%	83%	80%	76%	81%	80%	82%	77%	73%	72%	73%	71%	70%
UNCERTAIN, DEPENDS	2	2	4	4	2	4	1	4	4	5	3	4	4
BAD TIME TO BUY	17	15	16	20	17	16	17	19	23	23	24	25	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

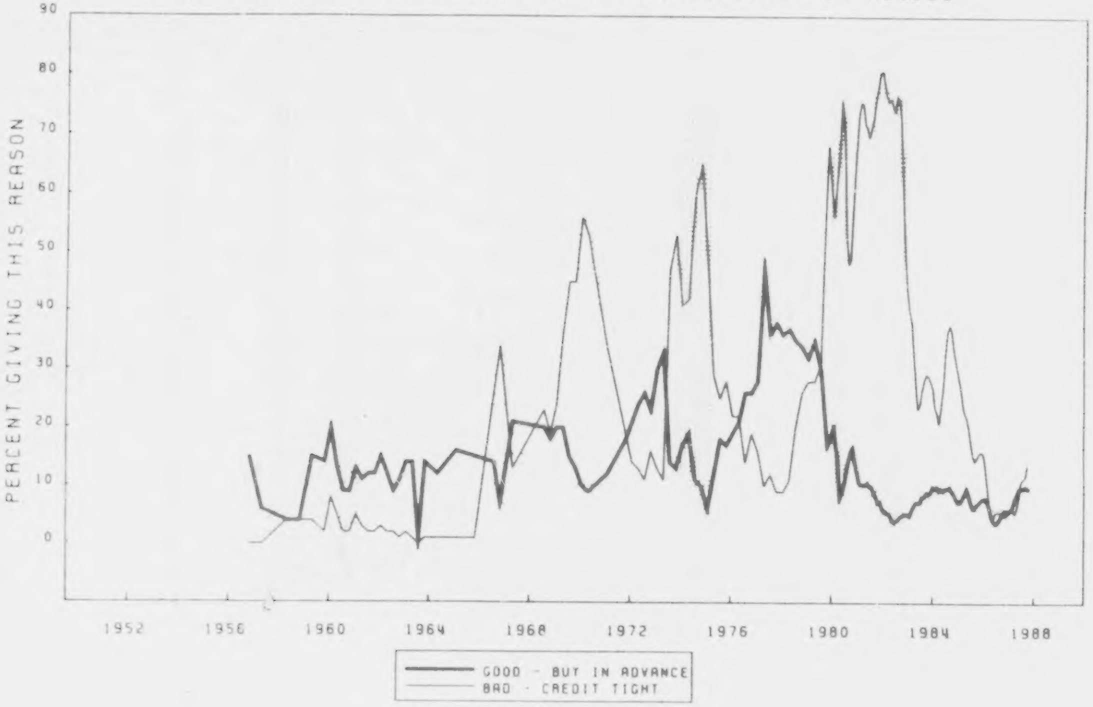


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

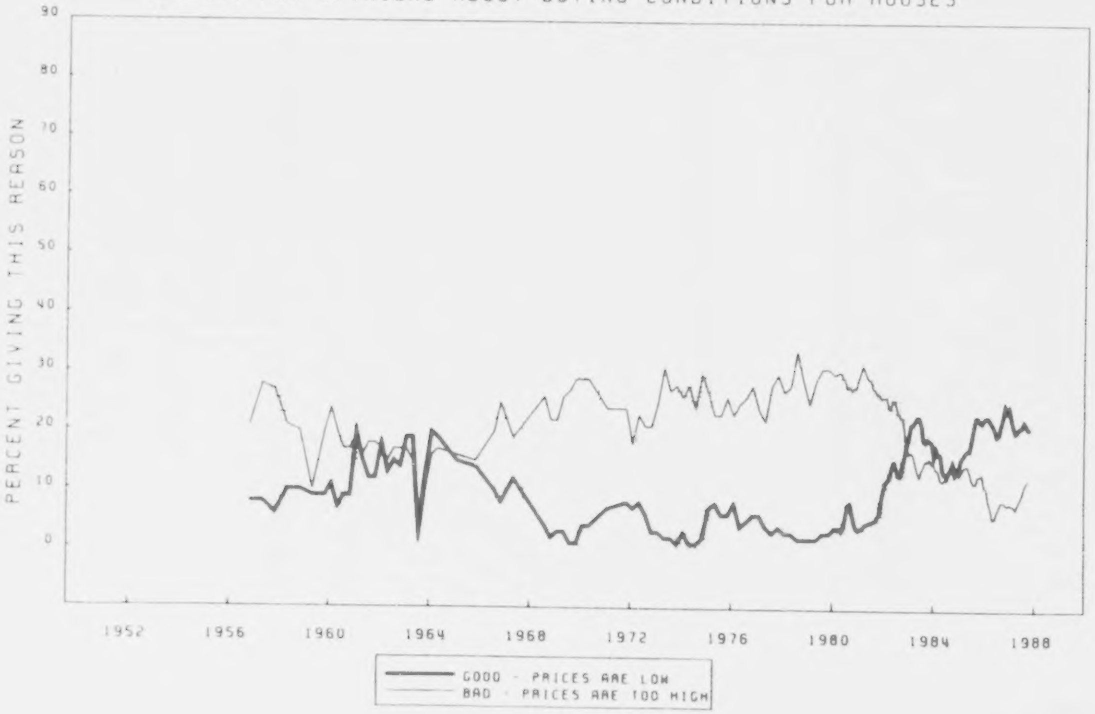


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	27%	23%	24%	21%	19%	21%	22%	21%	21%	25%	19%	19%
Prices won't come down; are going higher	6	6	6	5	7	8	9	9	11	9	9	12	8
Interest rates low; credit is easy	75	75	73	69	74	71	71	66	63	59	57	53	54
Good investment	6	5	6	6	3	6	7	5	5	6	7	7	6
BAD TIME TO BUY:													
Prices are high	9	7	8	10	6	8	8	9	10	10	13	13	11
Interest rates are high; credit is tight	5	5	5	7	6	6	4	9	12	12	10	13	18
Lack of purchasing power	8	8	7	9	8	6	8	6	8	5	8	8	11

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

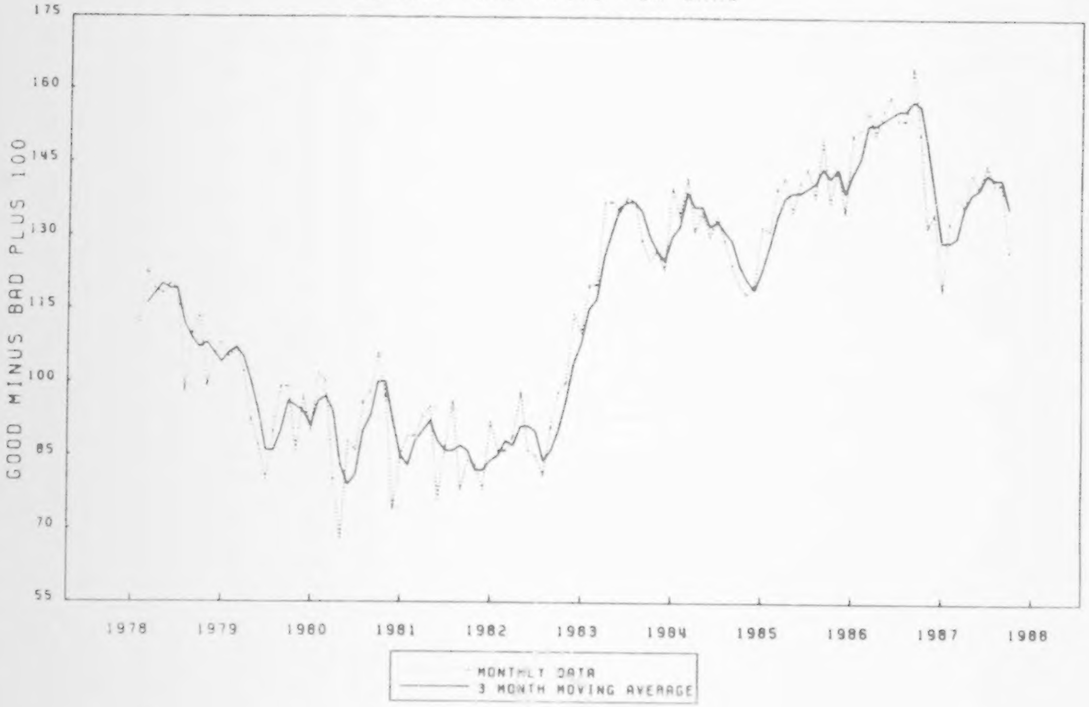


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

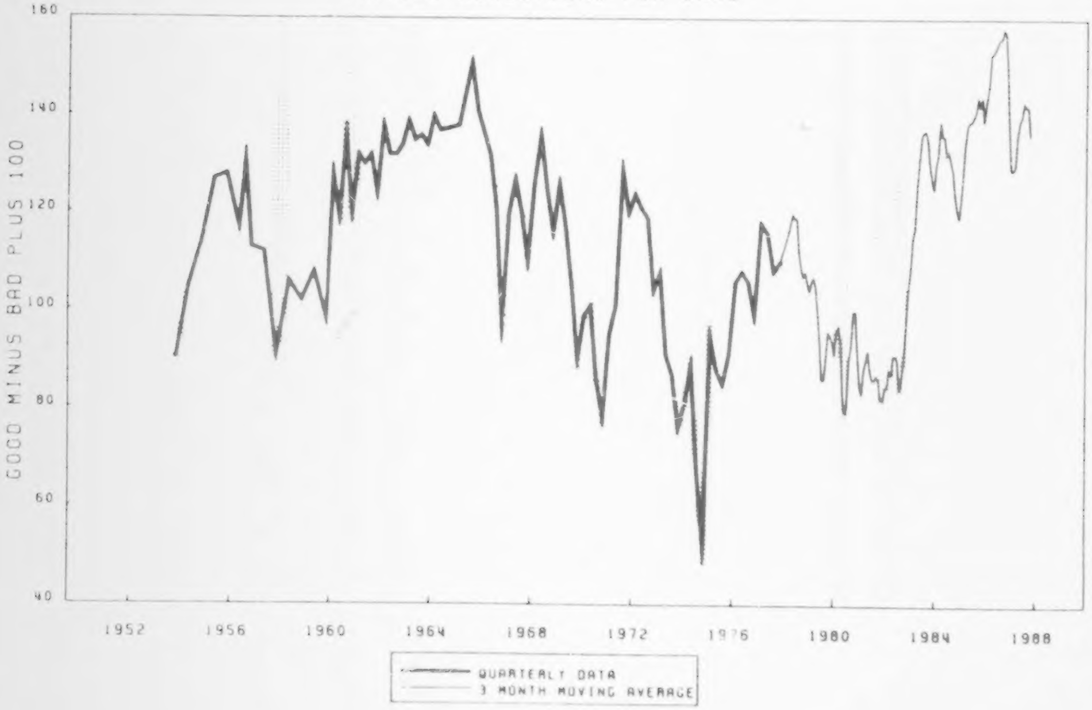


TABLE 25

BUYING CONDITIONS FOR CARS

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIME TO BUY	72%	63%	64%	55%	62%	66%	64%	67%	65%	67%	66%	66%	58%
UNCERTAIN; DEPENDS	7	6	7	9	9	7	8	9	10	11	9	9	11
BAD TIME TO BUY	21	31	29	36	29	27	28	24	25	22	25	25	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	656	653	655	657	652	652	651	654	651	654	650	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

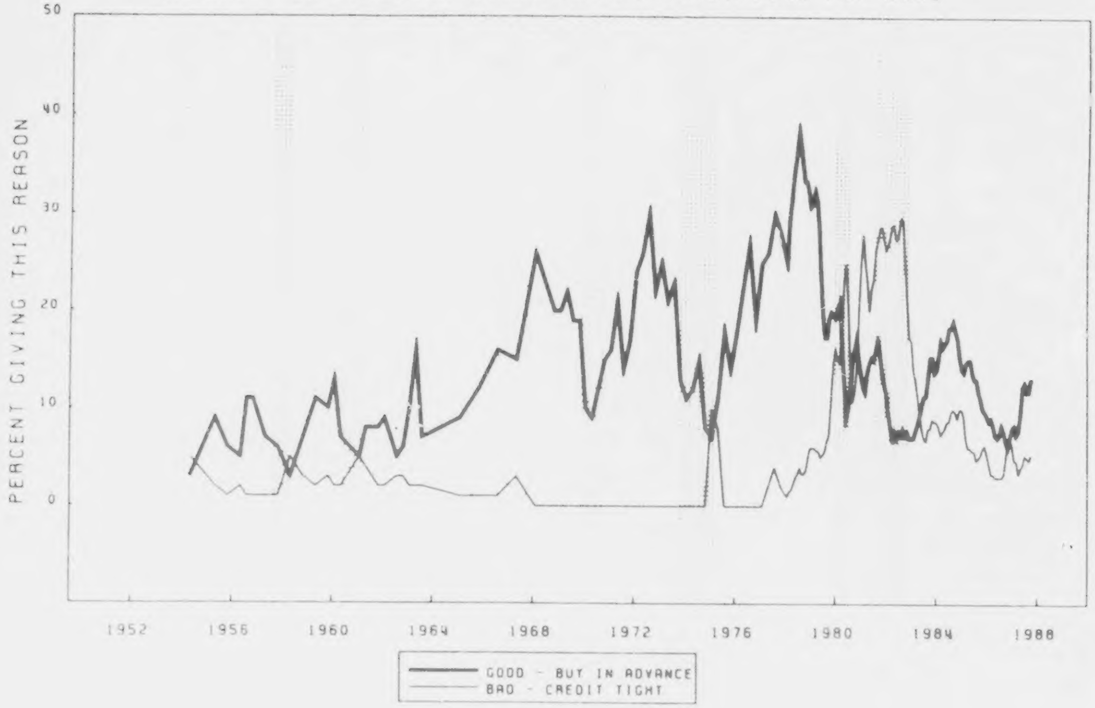


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

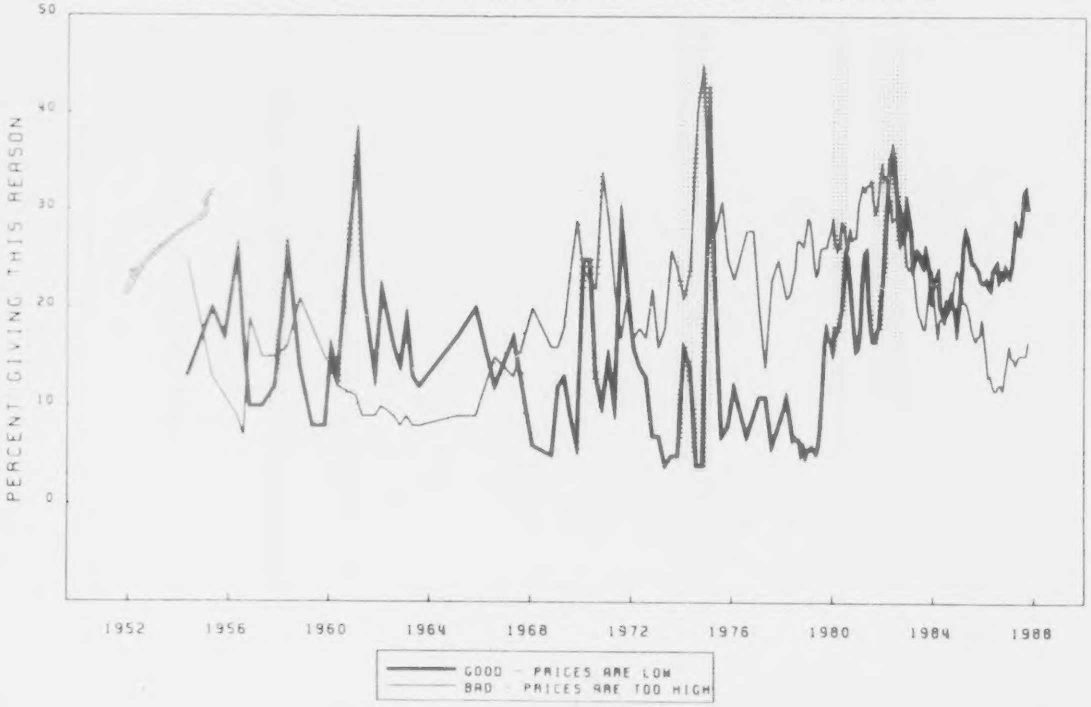


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	26%	23%	21%	29%	29%	28%	27%	28%	32%	36%	29%	26%
Prices won't come down; are going higher	5	7	9	8	8	6	9	13	15	10	10	15	14
Interest rates low; credit is easy	58	43	45	34	38	44	40	40	38	30	37	40	27
New fuel efficient models	*	*	*	1	*	*	1	*	1	1	*	*	*
BAD TIME TO BUY:													
Prices are high	12	17	15	17	13	15	15	15	16	15	15	16	19
Interest rates are high; credit is tight	8	9	4	6	4	4	2	6	5	5	5	4	7
Lack of purchasing power	2	4	4	6	6	5	5	5	4	4	3	4	6
Price of gas; shortages	*	*	*	*	*	*	*	*	*	1	1	1	*
Poor selection; quality	1	2	2	2	2	2	3	3	2	3	5	4	2

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

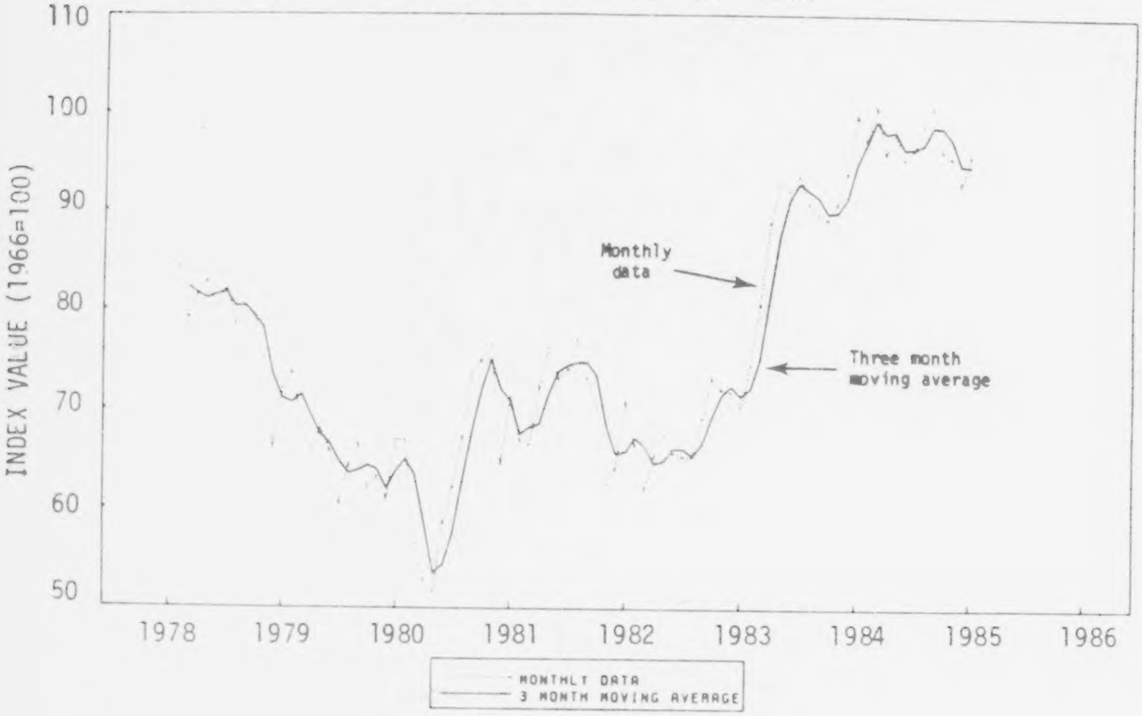
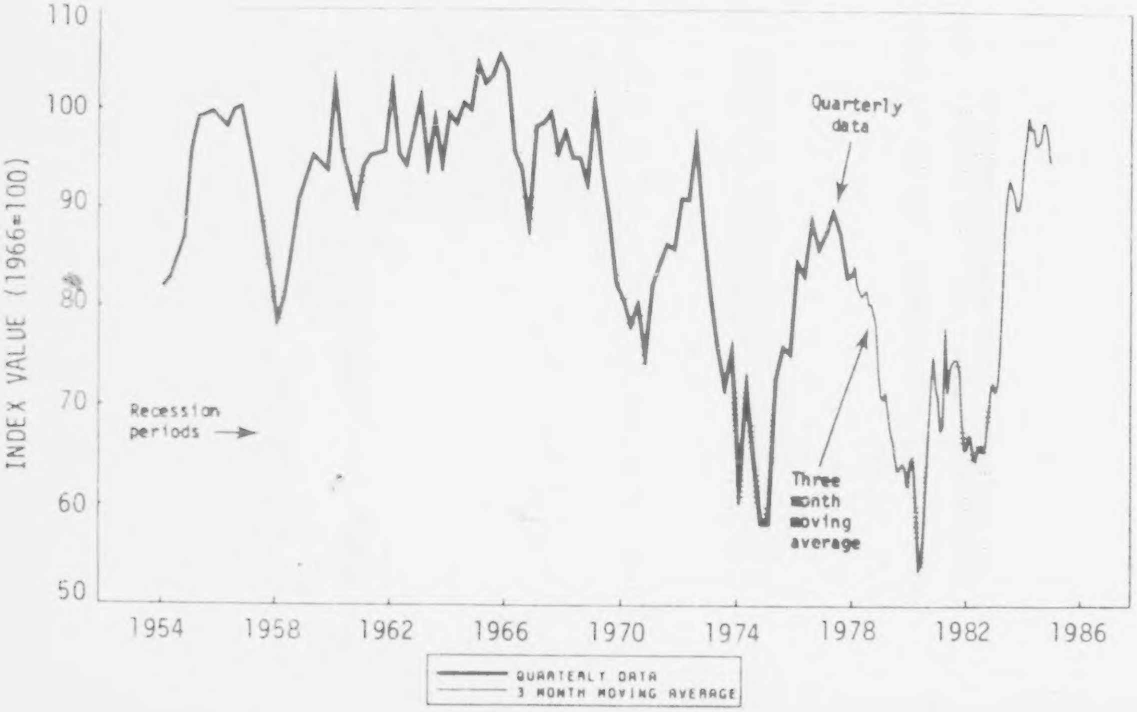


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

NOVEMBER 1987 MONTHLY REPORT

November 25, 1987

Surveys of Consumers

Richard T. Curtin, *Director*

DECLINE IN CONFIDENCE WEAKENS SALES PROSPECTS

- In the November 1987 survey, the Index of Consumer Sentiment was 83.1, down from 89.3 in October and 93.6 in September. Following the sharp declines recorded in the last ten days of October when the Index averaged 82.4, the overall level of consumer confidence has remained largely unchanged at that lower level during the month of November. Thus there is no evidence of an ongoing free fall in consumer confidence, nor is there any evidence that the damage to consumer confidence will be temporary. The October 19th plunge in stock prices has, in the view of consumers, substantially diminished prospects for the national economy. And as a result of the heightened level of uncertainty surrounding the stock market decline, consumers have become more cautious in their spending plans. Although these trends indicate weakened sales prospects through early 1988, much will depend on the availability of price discounts and reduced interest rates which consumer now expect in the upcoming months. The best prospect is that the weakness in consumer sales will be short-lived, with employment and income trends remaining strong, bolstered by rising exports.

- The November survey recorded a near universal awareness of the plunge in stock market prices, and more importantly, the data indicate that this event has had a considerable impact on consumer attitudes and expectations. Before any reference was made by the interviewer to the stock market, 52 percent of all respondents had already spontaneously mentioned the stock market decline when asked to explain their views on questions ranging from personal finances to prospects for the general economy. In addition, when those respondents who had not spontaneously mentioned the stock market decline were directly asked, a total of 92 percent of all respondents reported hearing of the stock market decline. Such a pervasive and widespread impact indicates that for consumers the stock market decline has become a pivotal factor in the formation of their own attitudes and expectations.

- When asked to evaluate the current state of the national economy, the majority opinion has turned from positive to negative since the stock market plunge, without further deterioration during the month of November. In the November 1987 survey, 50 percent thought that the economy had worsened, up from 35 percent one month earlier. The proportion that thought that the economy was improving fell to just 33 percent in November, from 49 percent in October. And more families expected bad times rather than good times financially in the economy as a whole during the next 12 months. The proportion of consumers that expected good times financially fell to 38 percent in November from 43 percent in October, while bad times in the economy were expected by 45 percent in November, up from 38 percent one month earlier.

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- Increases in the national unemployment rate are the primary concern expressed by consumers, with increases expected by one in three respondents in the November survey. In contrast, inflation and interest rate expectations have improved during the past month. Among all families in the November survey, the annual rate of inflation expected to average 3.9% during the year ahead, down from 4.4% in the October survey. Interest rates were expected to increase by 49 percent of all families in the November 1987 survey, down sharply from 67 percent recorded one month earlier.

- The proportion of families that held favorable attitudes toward buying conditions for homes fell to 58 percent in November 1987, down from 70 percent one month earlier, and 83 percent one year earlier. Interestingly, the recent improvement in interest rate expectations has resulted in somewhat less favorable views of current home buying conditions. Along with the sharply higher interest rate expectations recorded earlier in the year, consumers increasingly based their favorable assessments of current home buying conditions on the advantage of borrowing in advance of the then expected increases in mortgage rates. With the recent shift toward lower interest rate expectations, many fewer consumers cited the advantage of borrowing in advance in the November survey—falling to 11 from 22 percent one month earlier. Thus this shift in expectations is likely to reduce sales prospects in the near term, as consumers postpone purchases in anticipation of the expected declines in mortgage rates.

- In contrast to home buying conditions, attitudes toward purchases of large household items and vehicles posted only small declines in the November survey, although they remained much less favorable than three months or one year earlier. Favorable attitudes toward vehicle buying conditions were held by 57 percent of all families in the November 1987 survey, just below the 58 percent recorded in October, but well below the 66 percent recorded three months earlier. The decline has been largely due to the ending of the last round of deep discounts on interest rates offered by vehicle manufactures. Favorable attitudes toward buying conditions for furniture, appliances and household electronics were held by 66 percent of all families in the November survey, down from 69 percent in October, and 74 percent three months earlier.

- Although the November survey recorded a marginal decline in personal financial prospects, on balance, consumers evaluations of their personal financial situation remained favorable. While consumers do not expect the stock market plunge to lower their own income and employment prospects during the year ahead, the widespread uncertainty about the implications of "Black Monday" has fostered a "wait and see" attitude. As a result, consumers have become more cautious in their spending plans. Fewer consumers expressed their willingness to use accumulated savings or to incur new debt to make major purchases in the November survey. The proportion of families willing to use their accumulated savings was 24 percent in November, down from 34 percent in October, and the lowest proportion recorded in five years. Favorable views toward the use of debt were also at a five year low. Willingness to incur new debt was reported by 20 percent of all families in the November 1987 survey, while just slightly below the 23 percent in October, it was substantially below the mid 1986 peak of 35 percent. Much of the decline in consumers' willingness to use credit occurred earlier in 1987, when interest rates were rising.

TABLE 1

INDEX OF CONSUMER SENTIMENT AND ITS COMPONENTS

Index Measures (Table Number)	Nov 1986	Aug 1987	Sept 1987	Oct 1987	Nov 1987
Index of Consumer Sentiment(1)					
All Families(1)	91.4	94.4	93.6	89.3	83.1
Families with Incomes over $30,000(1)	97.5	104.4	100.6	99.9	87.7
Current Index(3)	106.7	107.8	108.3	103.1	99.3
Expected Index(3)	81.6	85.8	84.2	80.4	72.7
Personal Finances					
Current(3)	121	122	119	118	115
Expected(3)	121	127	124	128	118
Business Conditions					
One year ahead(3)	120	125	122	105	93
Five years ahead(3)	87	93	92	90	80
Buying Conditions					
Household Durables(3)	155	157	162	149	142
Homes(23)	168	149	146	144	120
Vehicles(25)	132	141	141	127	122
Use of Savings	74	65	na	72	50
Use of Credit	55	51	na	48	43
Cases	656	654	650	500	501

TABLE 2

CONSUMER SENTIMENT MEASURES

Question	Nov 1986	Aug 1987	Sept 1987	Oct 1987	Nov 1987
Current Personal Finances(4)					
Better	43%	45%	42%	43%	42%
Worse	22%	23%	23%	25%	27%
Expected Personal Finances(6)					
Better	33%	39%	35%	37%	33%
Worse	12%	12%	11%	9%	15%
Current Business Conditions(12)					
Better	45%	54%	49%	49%	33%
Worse	37%	30%	34%	35%	50%
One Year Business Outlook(15)					
Good Times	53%	55%	51%	43%	38%
Bad Times	33%	30%	29%	38%	45%
Five Year Business Outlook(16)					
Good Times	35%	36%	37%	36%	31%
Bad Times	48%	43%	45%	46%	51%
Unemployment Expectations(17)					
Lower	11%	15%	13%	17%	10%
Higher	34%	27%	29%	29%	36%
Interest Rate Expectations(18)					
Higher	43%	62%	66%	67%	49%
Lower	19%	9%	7%	11%	22%
Household Durables(21)					
Good Time to Buy	72%	74%	75%	69%	66%
Bad Time to Buy	17%	17%	13%	20%	24%
Homes(23)					
Good Time to Buy	83%	73%	71%	70%	58%
Bad Time to Buy	15%	24%	25%	26%	38%
Vehicles(25)					
Good Time to Buy	63%	66%	66%	58%	57%
Bad Time to Buy	31%	25%	25%	31%	35%
Use of Savings					
Willing to Use	37	31	na	34	24
Reluctant to Use	63	66	na	62	74
Use of Credit					
Willing to Use	27	25	na	23	20
Reluctant to Use	72	74	na	75	77
Cases	656	654	650	500	501

12/15/87 U7475-2A

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

NOVEMBER 1987

The November 1987 survey is the 232nd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

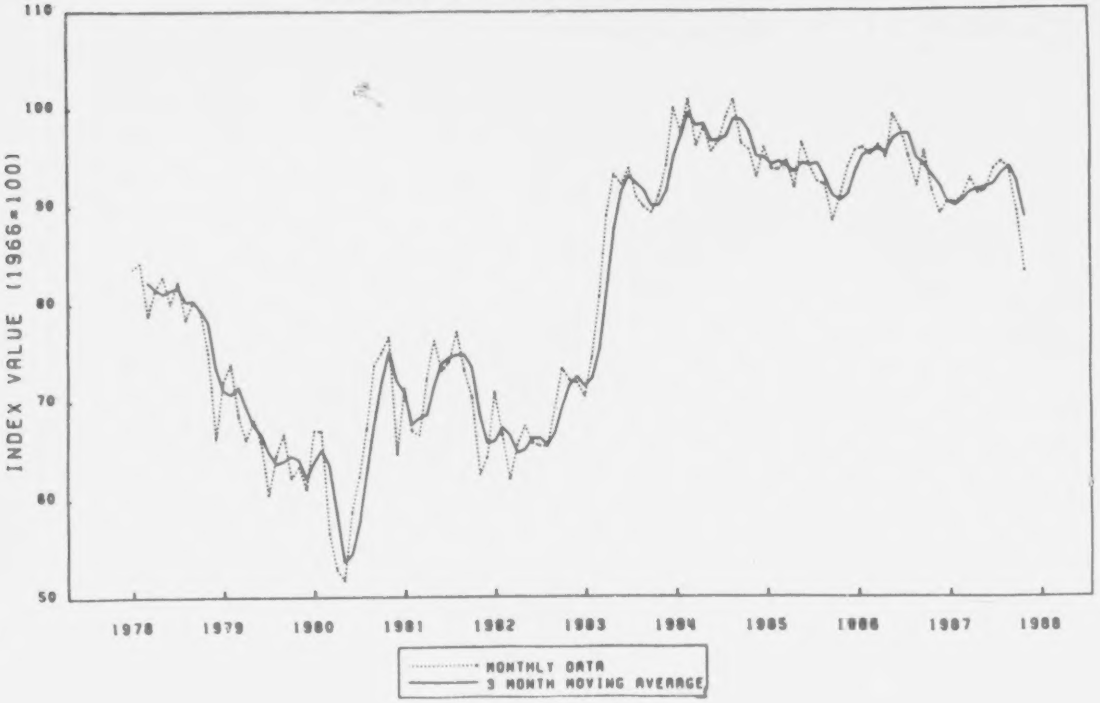


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

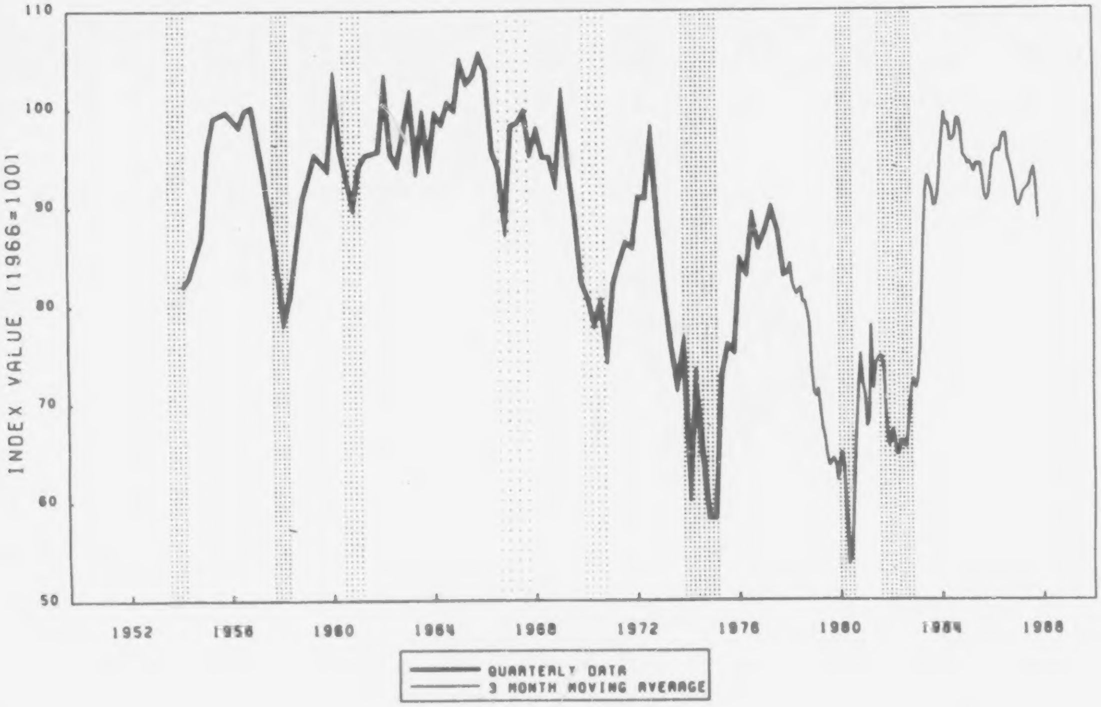


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
November 1984	95.7	112.9	113.6
December 1984	92.9	101.5	101.7
January 1985	96.0	110.2	112.1
February 1985	93.7	113.8	113.8
March 1985	93.7	110.8	114.4
April 1985	94.6	108.9	114.9
May 1985	91.8	105.3	107.7
June 1985	96.5	107.4	110.3
July 1985	94.0	105.2	109.5
August 1985	92.4	106.7	110.2
September 1985	92.1	101.7	104.9
October 1985	88.4	99.6	107.4
November 1985	90.9	100.8	100.3
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

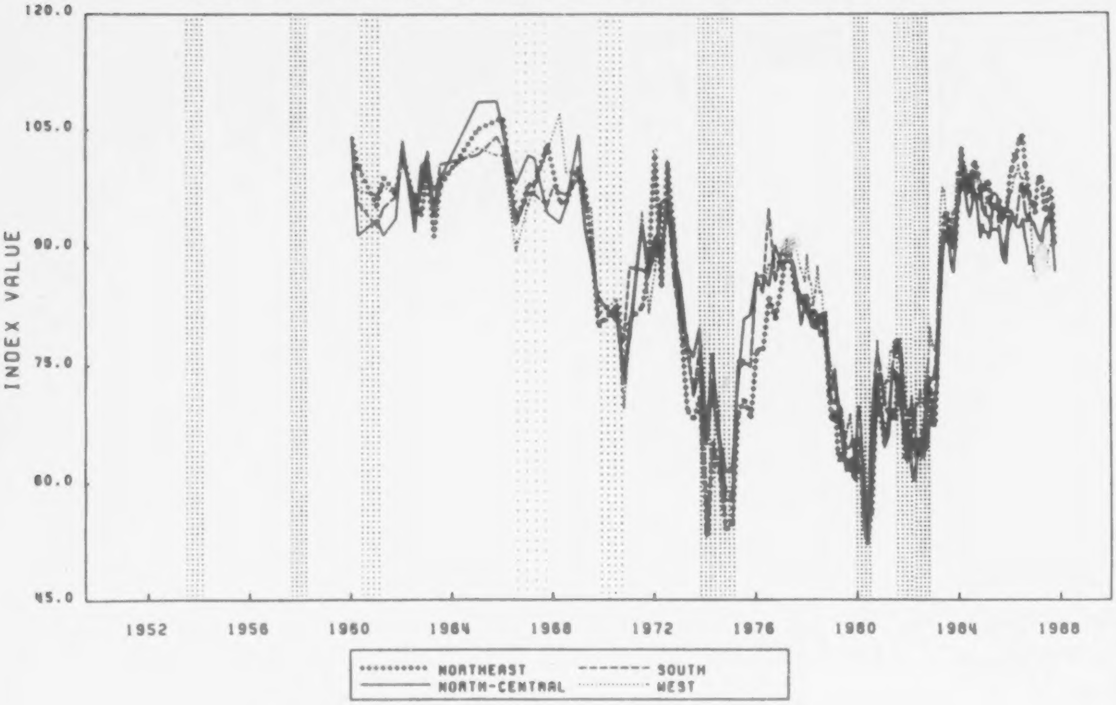


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

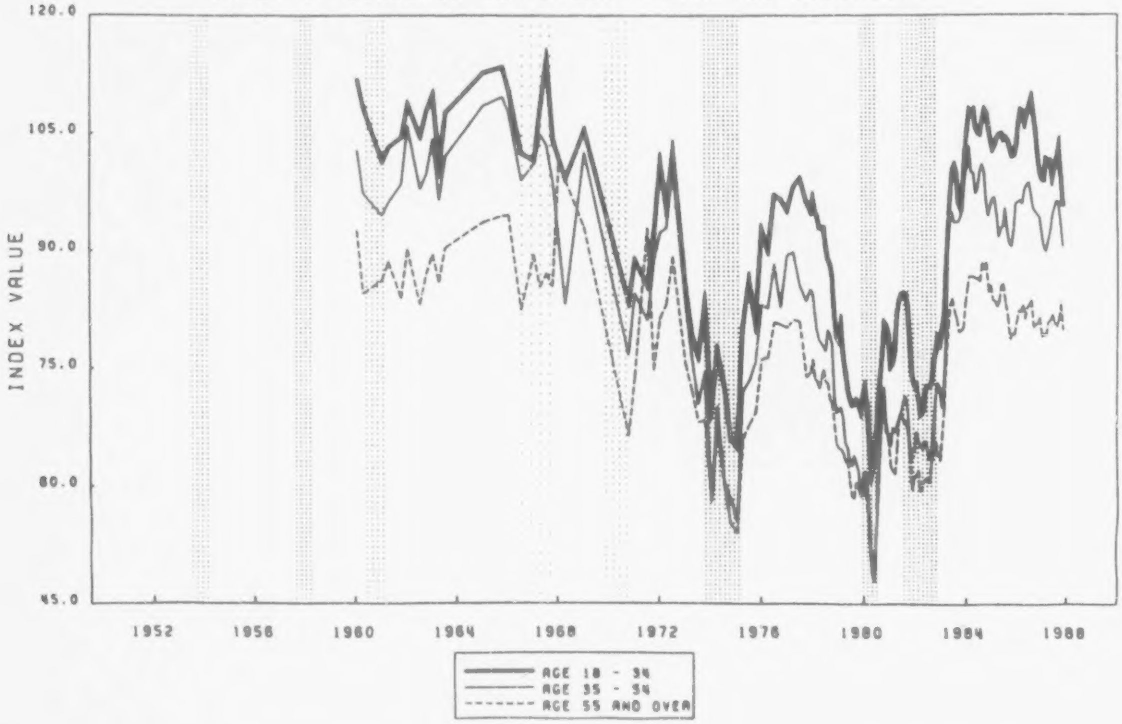


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
November 1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December 1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January 1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March 1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April 1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May 1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July 1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August 1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September 1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October 1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

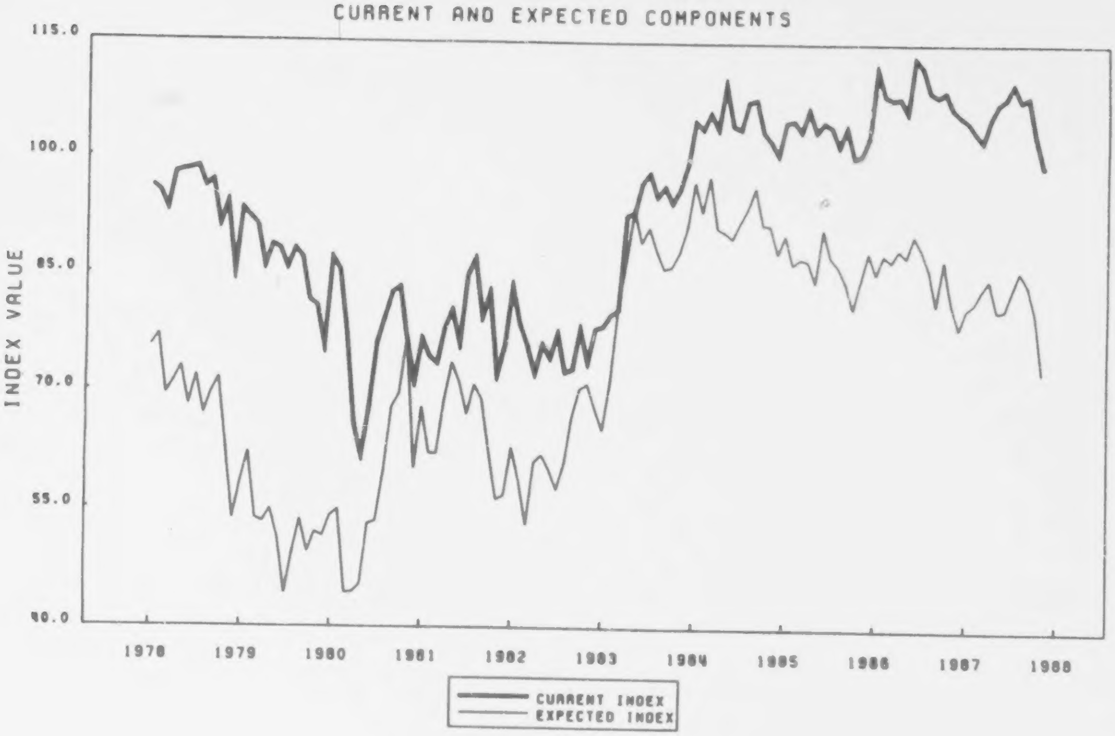


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

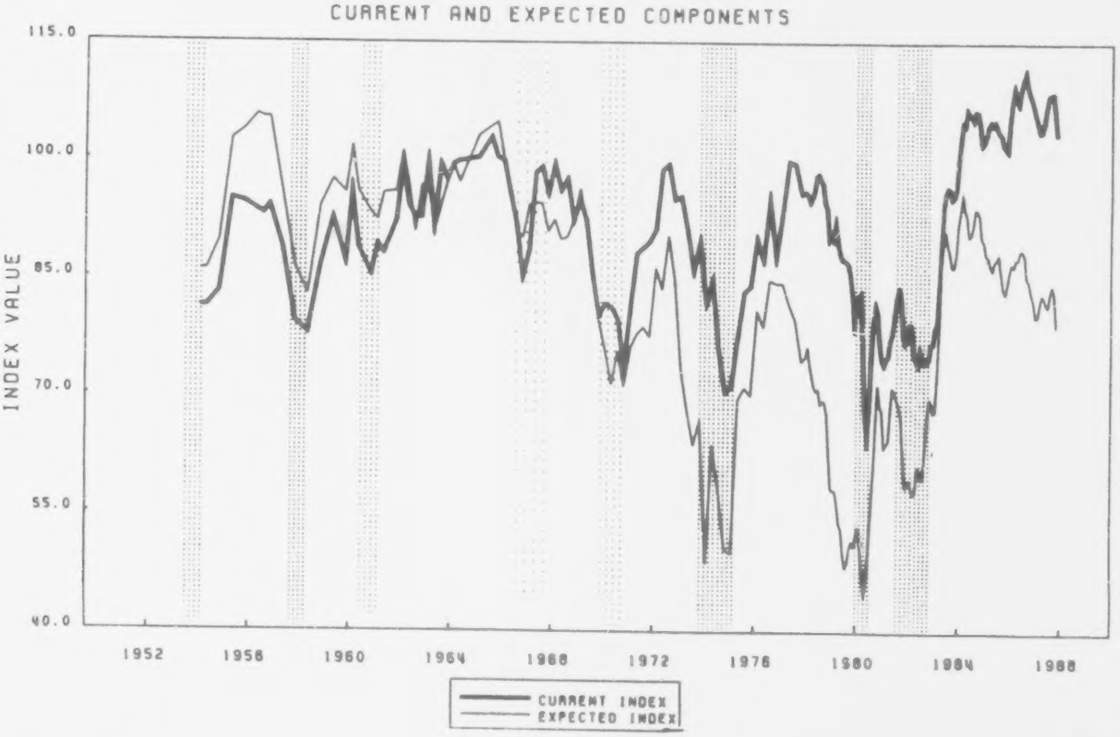


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

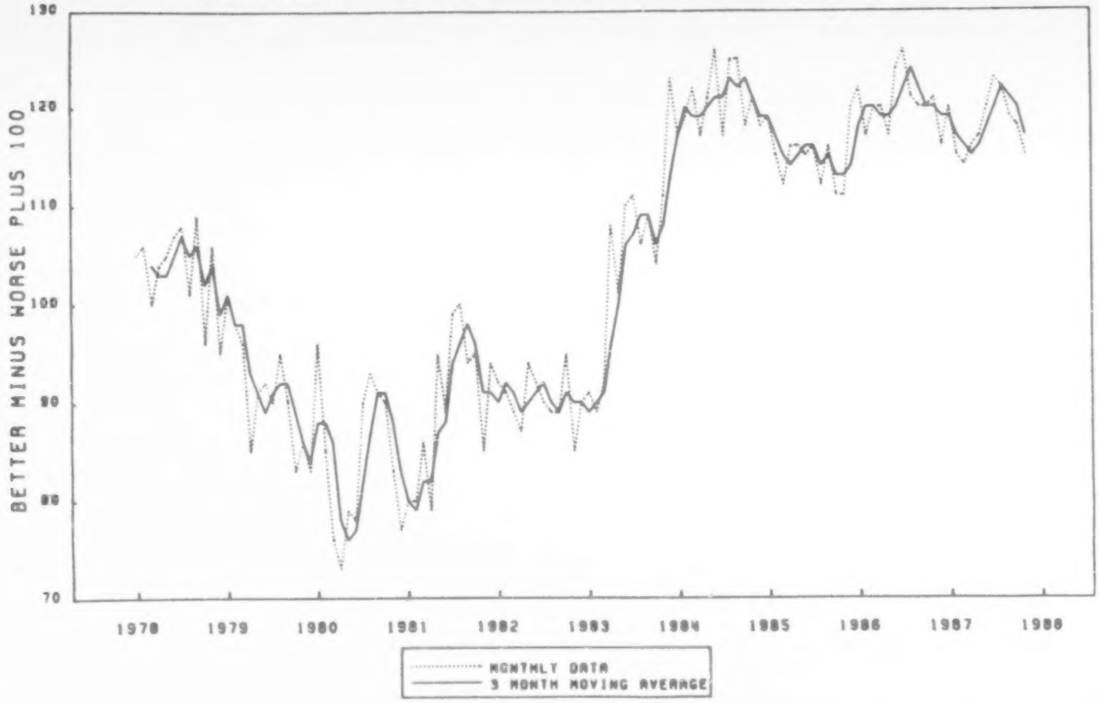


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

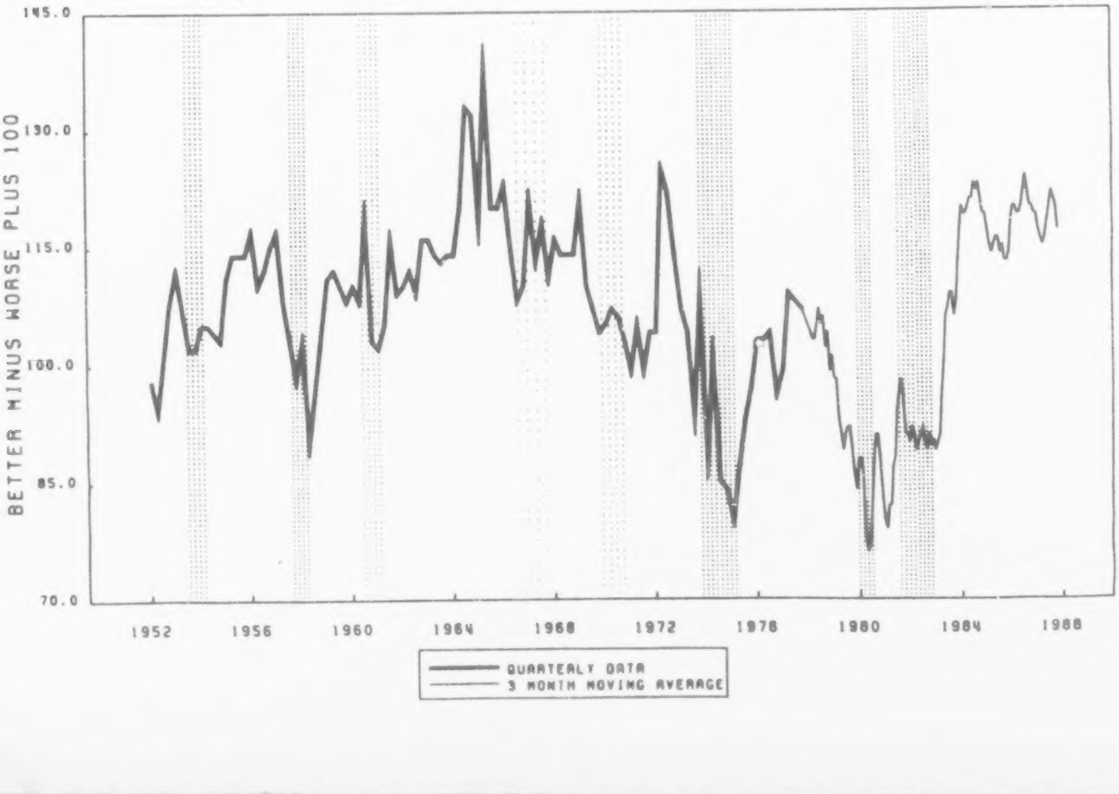


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
BETTER OFF	43%	43%	45%	44%	41%	42%	43%	44%	45%	45%	42%	43%	42%
SAME	35	30	29	27	32	32	31	32	32	32	34	32	31
WORSE OFF	22	27	25	29	27	26	26	24	22	23	23	25	27
DK,NA	*	*	1	*	*	*	*	*	1	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

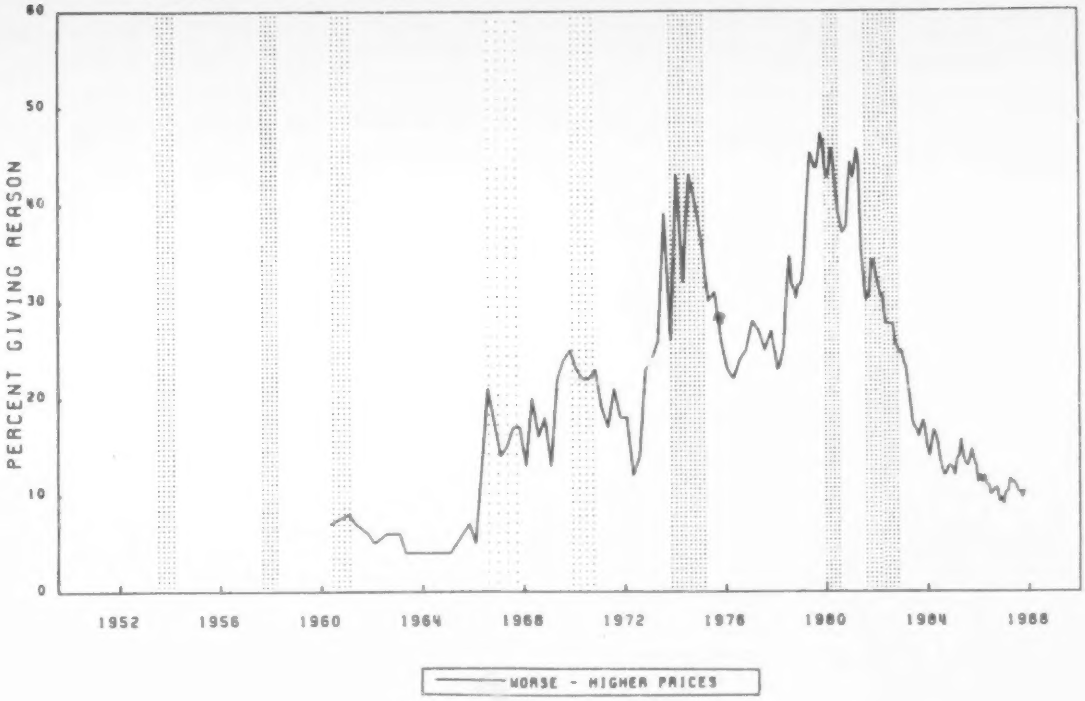


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

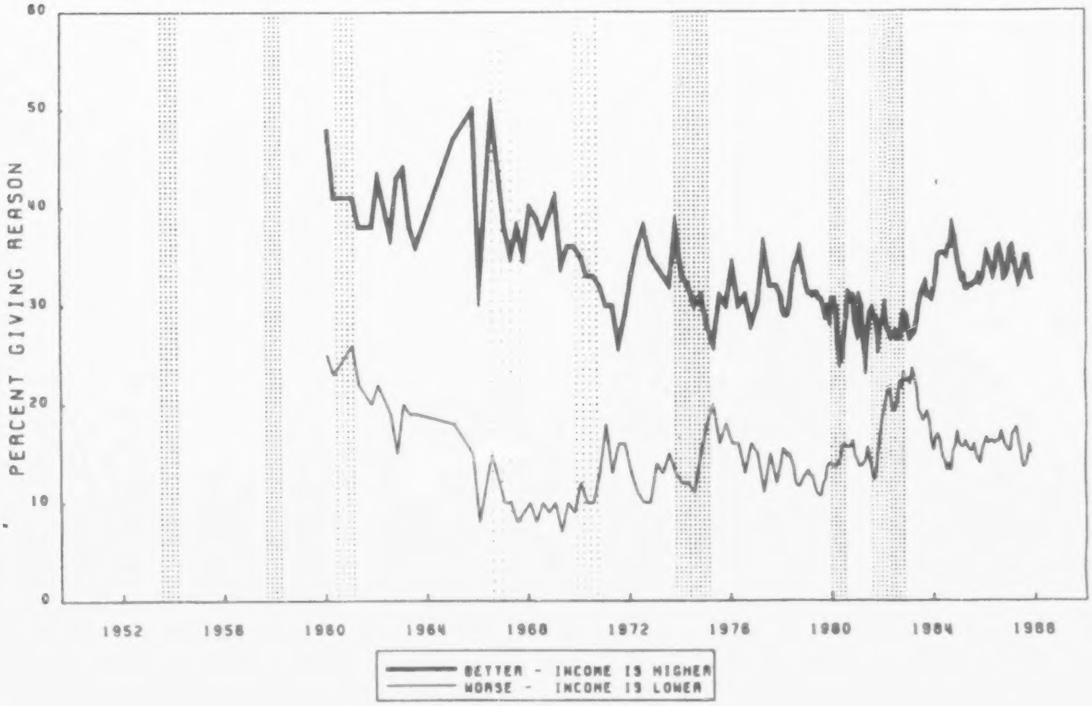


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov 198
BETTER OFF THAN YEAR AGO:													
Income is higher	34%	35%	38%	35%	31%	34%	32%	33%	36%	36%	33%	32%	33
WORSE OFF THAN YEAR AGO:													
Income is lower	15	16	15	20	17	16	15	14	12	15	16	17	12
Higher prices	8	12	7	12	12	11	11	12	10	9	12	8	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

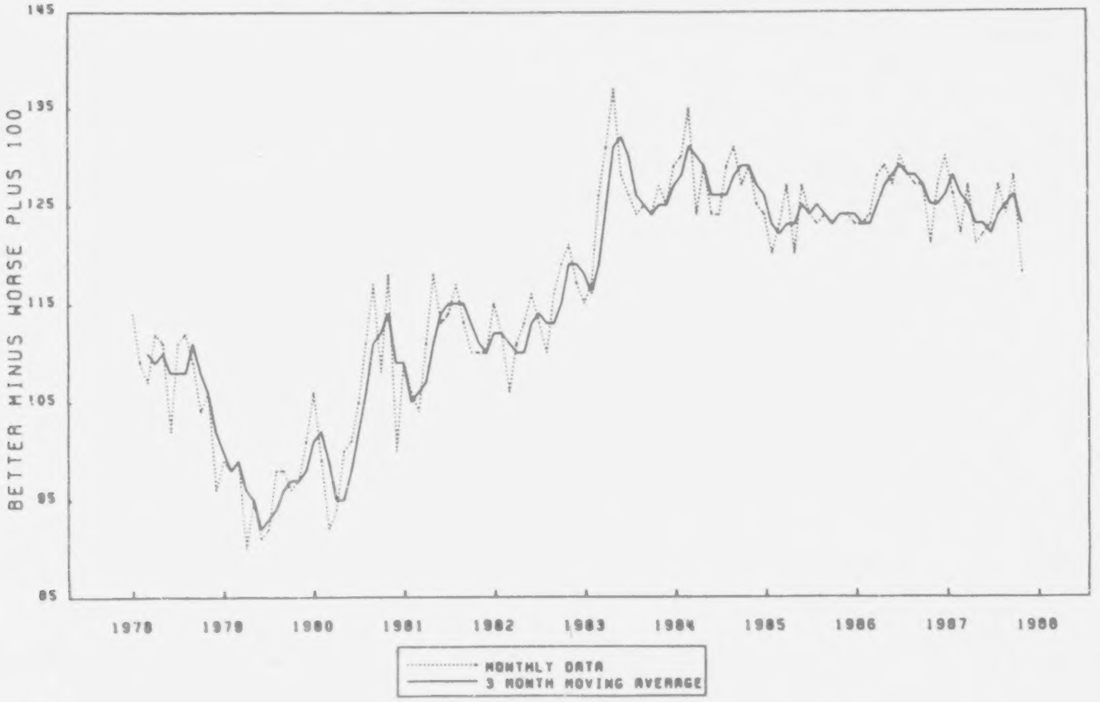


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

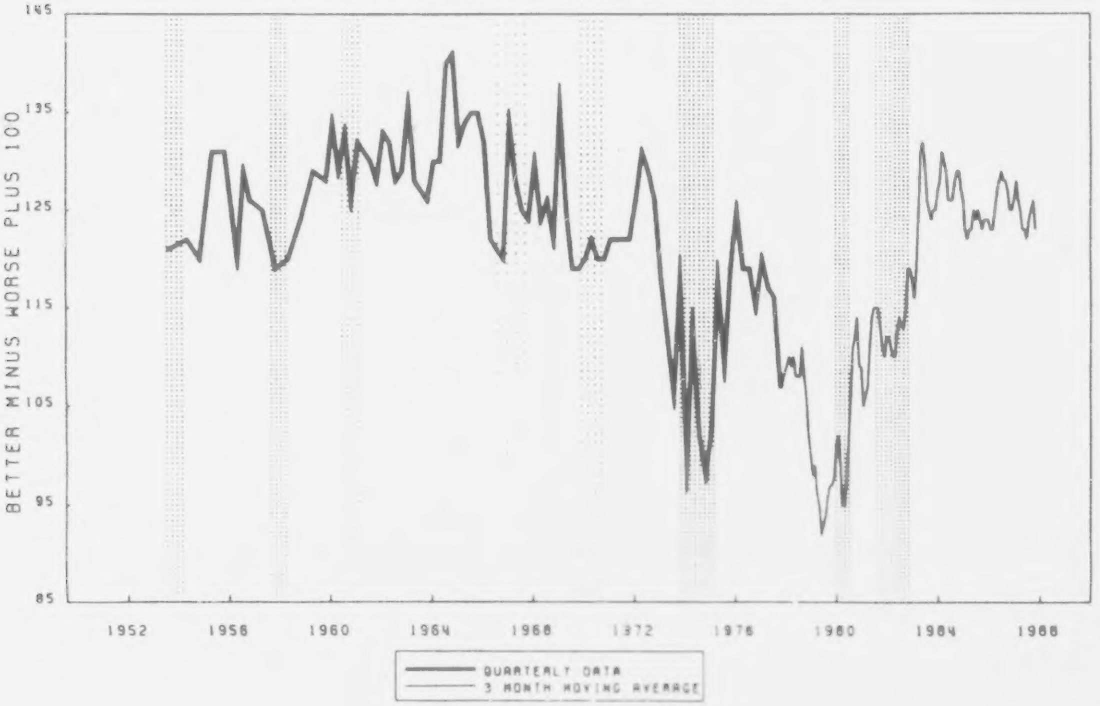


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
BETTER OFF	33%	36%	39%	38%	33%	37%	32%	33%	34%	39%	35%	37%	33%
SAME	52	52	48	48	53	49	54	53	52	46	49	51	49
WORSE OFF	12	9	9	12	11	10	11	11	11	12	11	9	15
DK,NA	3	3	4	2	3	4	3	3	3	3	5	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

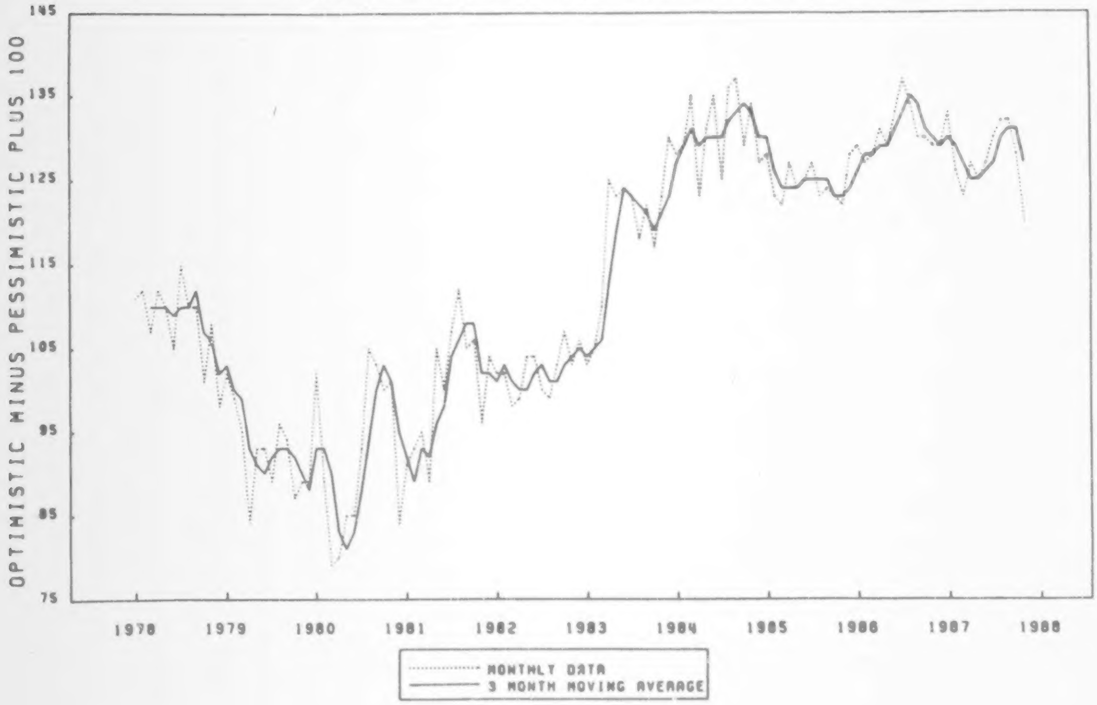


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

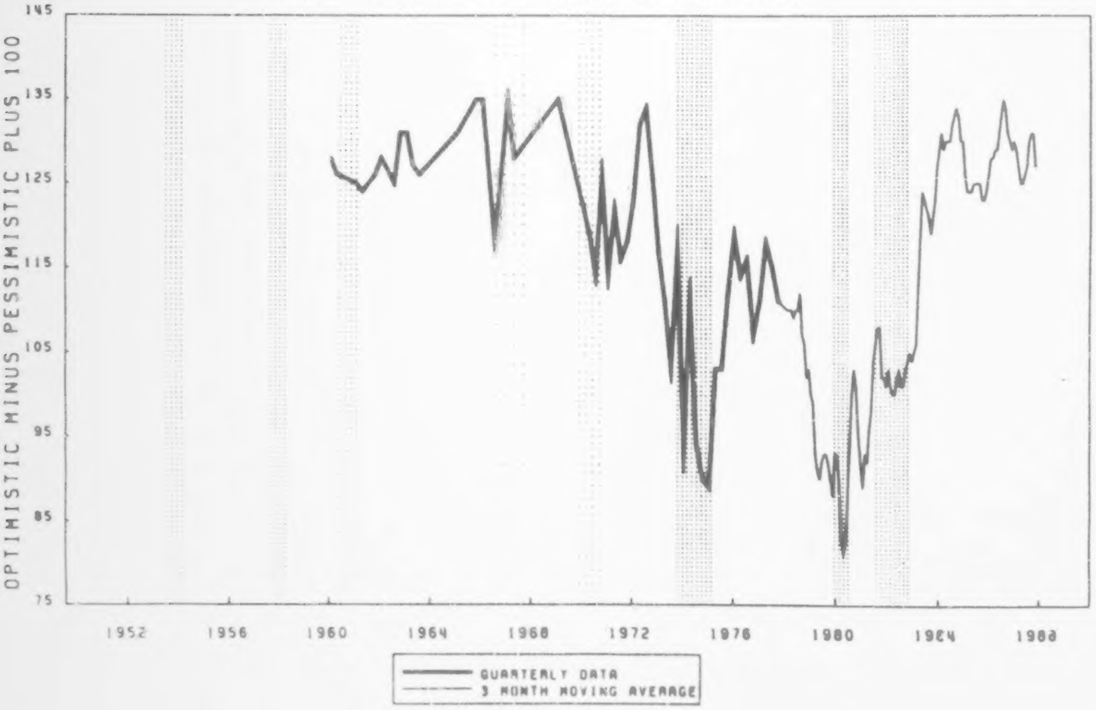


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

PERSONAL FINANCIAL PROGRESS:	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
Continuous increase (a)	18%	18%	22%	22%	19%	19%	17%	18%	19%	23%	18%	23%	19%
Intermittant increase (b)	29	29	28	27	25	28	28	31	29	29	31	24	25
Remain unchanged (c)	22	19	17	15	22	17	20	17	20	16	19	21	18
Intermittant decline (d)	13	14	14	17	16	17	16	17	14	16	12	15	18
Continuous decline (e)	5	4	3	6	5	3	4	5	4	4	5	4	6
Mixed change (f)	10	13	12	11	10	12	12	8	10	9	10	10	11
DK,NA	3	3	4	2	3	4	3	4	4	3	5	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

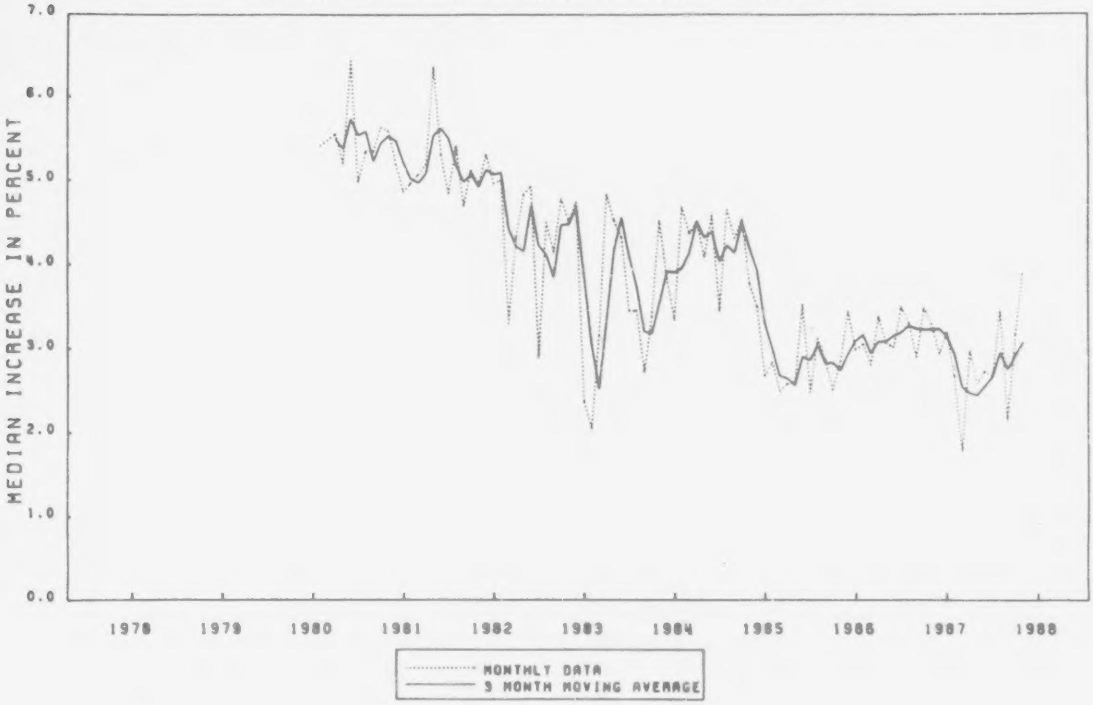


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

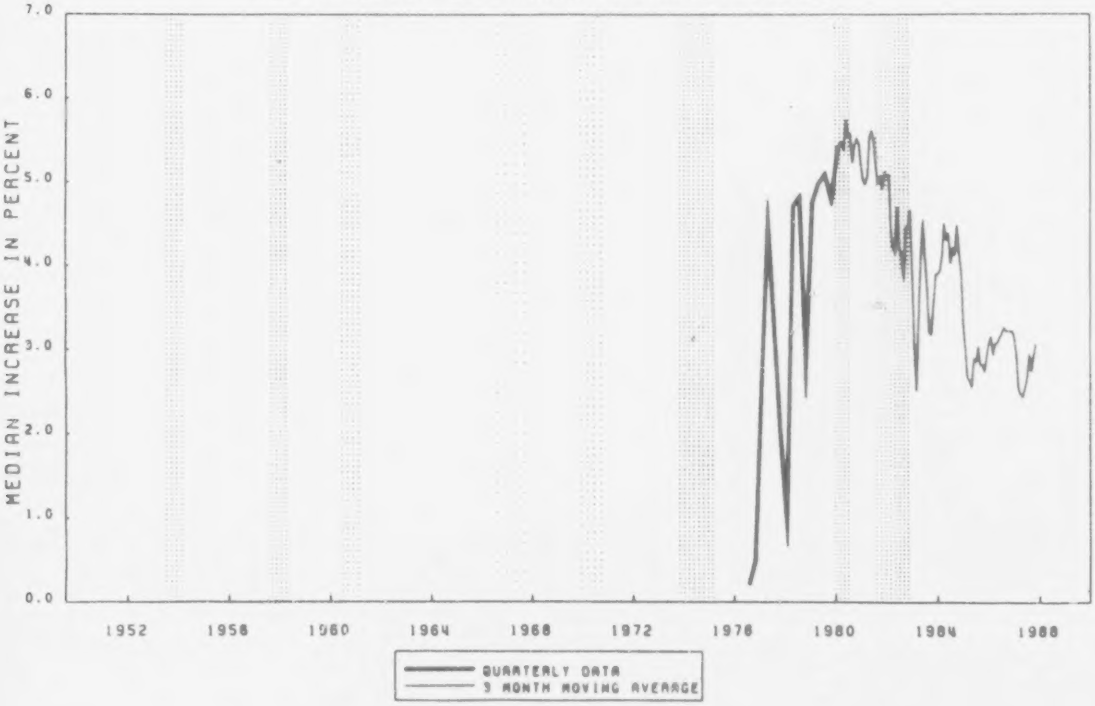


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
EXPECT INCREASE:													
1-4%	17%	18%	16%	15%	17%	15%	18%	21%	18%	17%	17%	15%	18%
5%	13	12	11	12	11	9	9	9	9	12	13	10	11
6-9%	9	8	8	5	7	8	8	10	7	6	6	9	8
10-24%	15	14	17	15	11	19	14	13	16	17	10	15	18
25% or more	6	6	6	6	5	5	6	5	6	8	6	5	7
DK how much up	4	4	4	6	6	4	3	4	4	4	5	6	2
EXPECT SAME	23	26	25	27	28	27	26	26	27	23	30	25	21
EXPECT DOWN	12	12	12	14	15	13	15	12	13	11	11	13	13
DK,NA	1	*	1	*	*	*	1	*	*	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

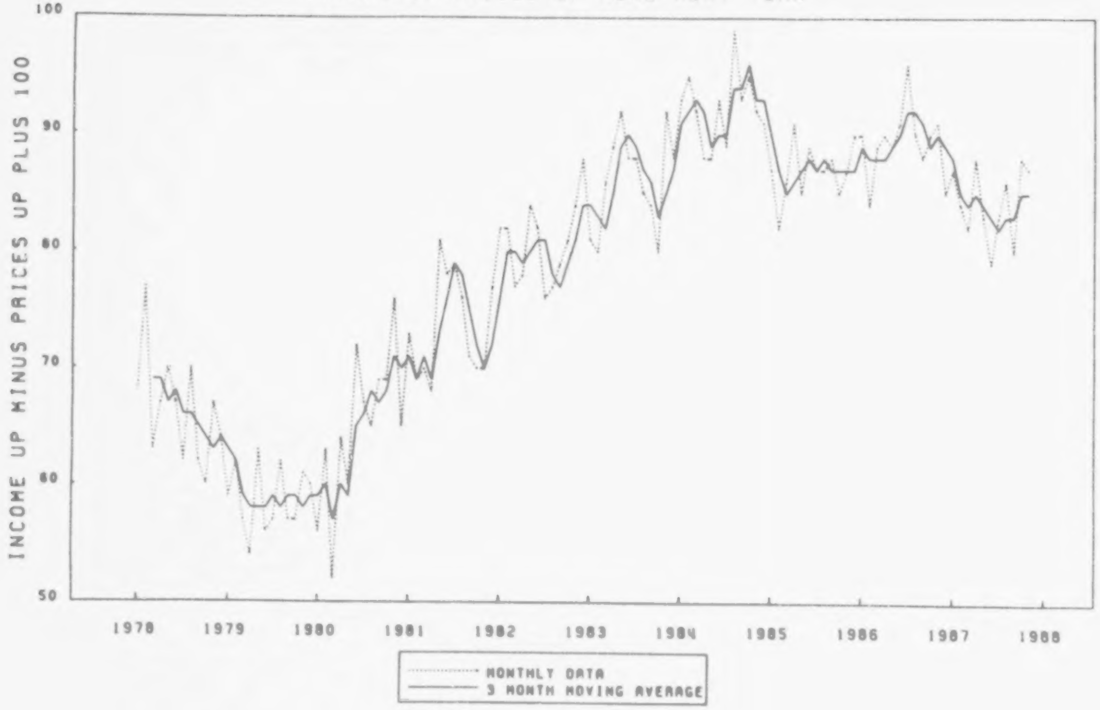


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

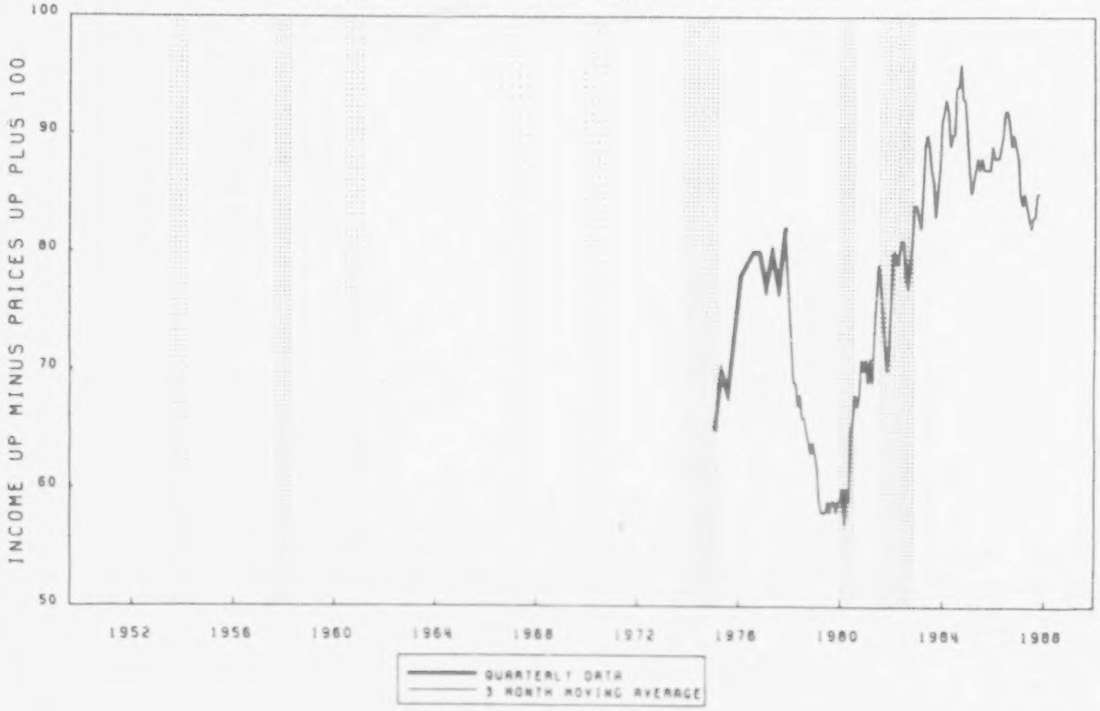


TABLE 9

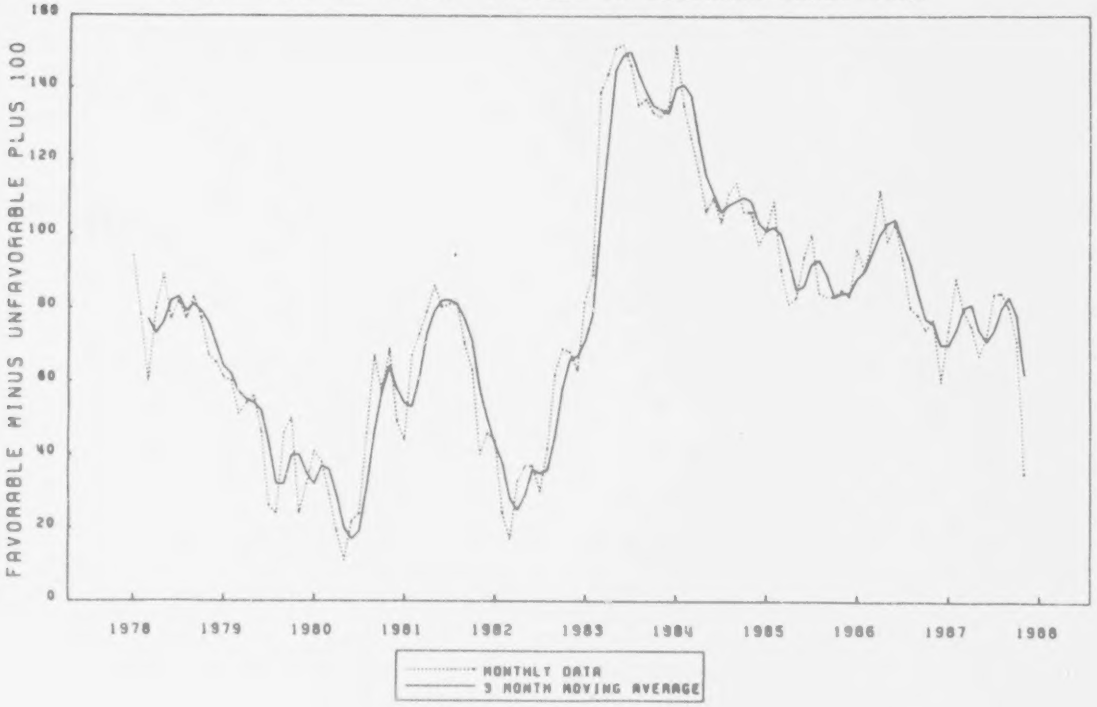
EXPECTED CHANGE IN REAL FAMILY INCOME

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
INCOME UP MORE	21%	19%	22%	20%	18%	21%	17%	17%	17%	21%	18%	20%	22%
INCOME UP SAME	47	45	41	42	44	44	48	44	47	42	42	45	43
PRICES UP MORE	30	34	35	36	36	33	34	38	34	35	38	32	35
DK,NA	2	2	2	2	2	2	1	1	2	2	2	3	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



C[illegible]RT 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

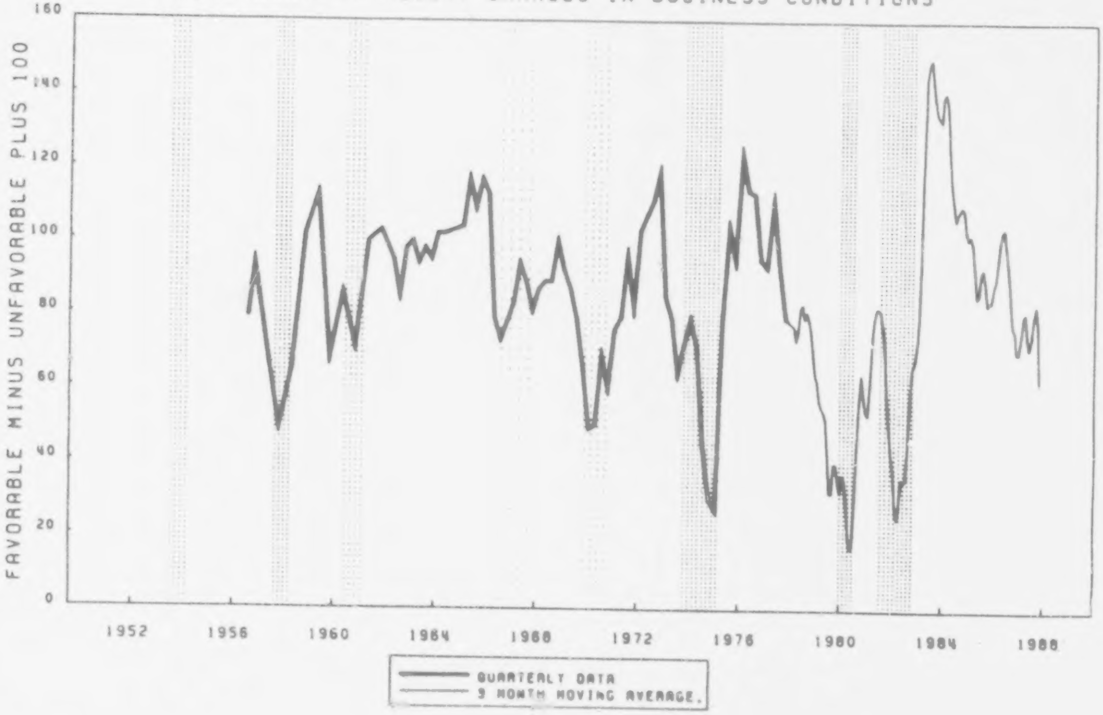


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
FAVORABLE NEWS	30%	22%	26%	36%	27%	27%	26%	29%	29%	32%	24%	25%	18%
UNFAVORABLE NEWS	53	62	52	48	48	52	59	57	45	48	44	54	83
NO MENTIONS	47	44	44	45	49	46	44	42	50	47	53	47	32

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

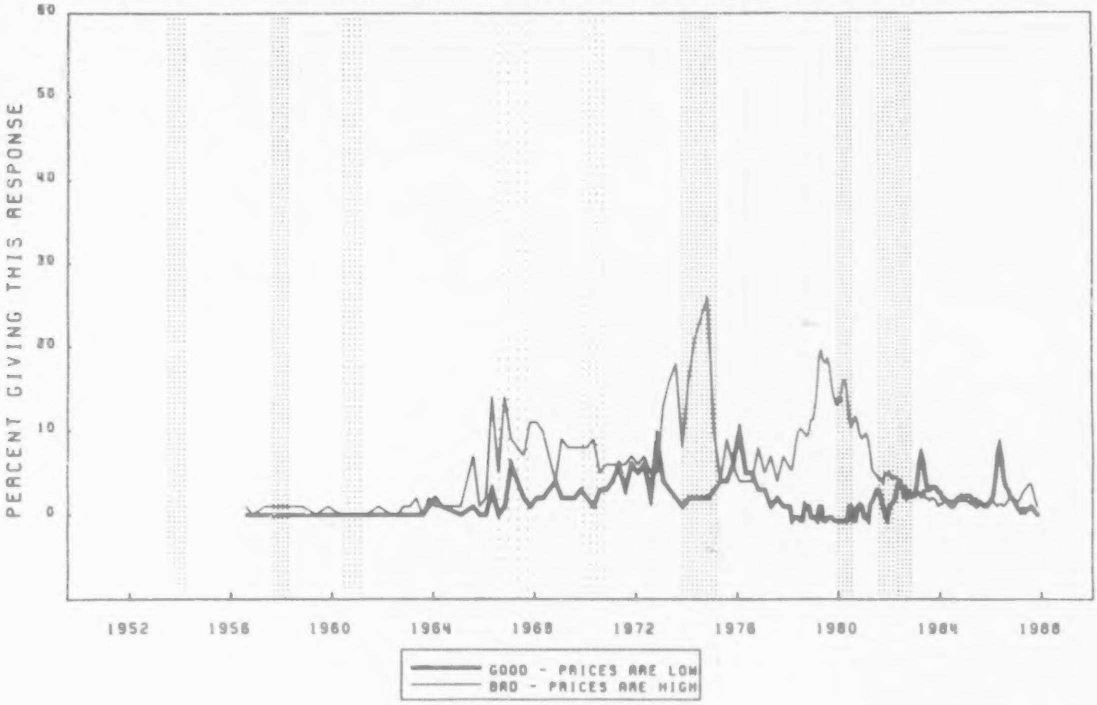


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

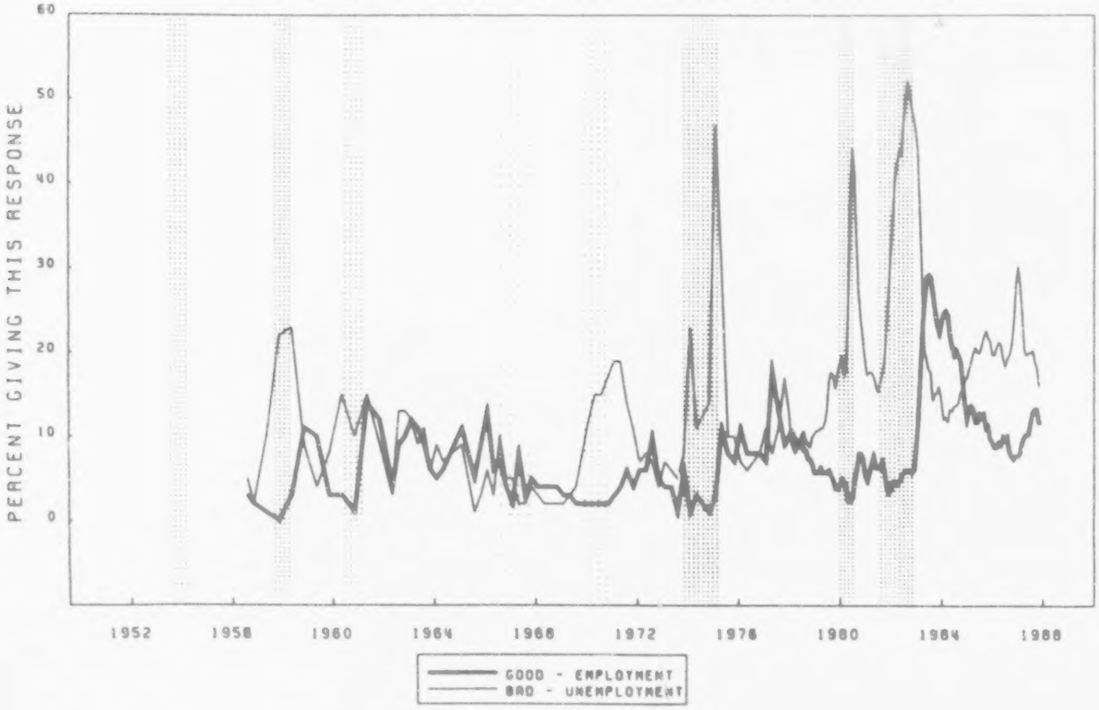


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
FAVORABLE NEWS:													
Government; elections	3%	1%	2%	2%	2%	3%	1%	2%	2%	3%	1%	*	*
Employment	9	7	7	10	11	9	11	11	13	15	12	13	10
Higher consumer demand	2	2	3	3	1	1	1	2	*	1	*	1	1
Lower prices	2	1	*	1	*	1	*	1	1	1	*	*	*
Easier credit	5	5	5	6	4	2	3	3	2	1	1	1	1
Stock market	*	1	4	6	3	3	1	2	2	3	2	3	2
Trade deficit	*	*	1	3	1	3	2	2	2	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	6	8	9	5	7	7	7	7	5	5	3	5	6
Unemployment	29	33	29	23	20	18	21	21	18	22	17	16	15
Lower consumer demand	2	4	2	3	2	2	2	3	3	2	1	3	5
Higher prices	1	2	1	2	3	3	3	4	4	3	1	1	1
Tighter credit	1	1	1	1	1	4	6	7	4	2	5	6	5
Stock market	2	3	1	1	2	3	1	3	2	2	2	11	38
Trade deficit	2	2	3	4	3	7	7	4	6	3	4	4	5

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

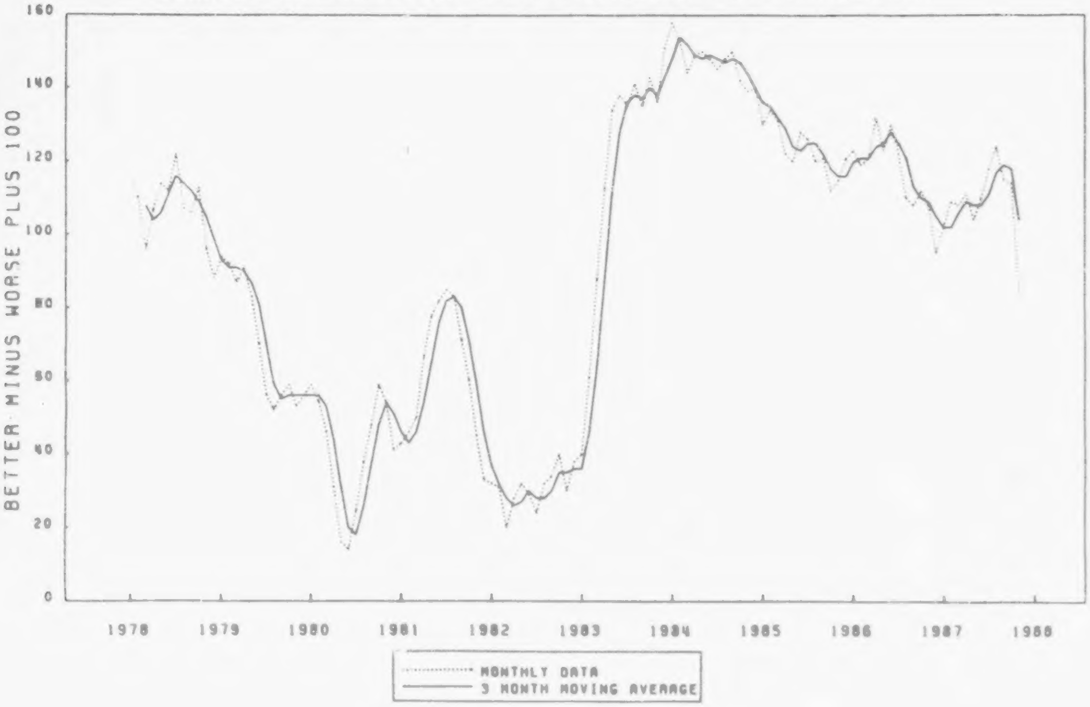


CHART 12 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

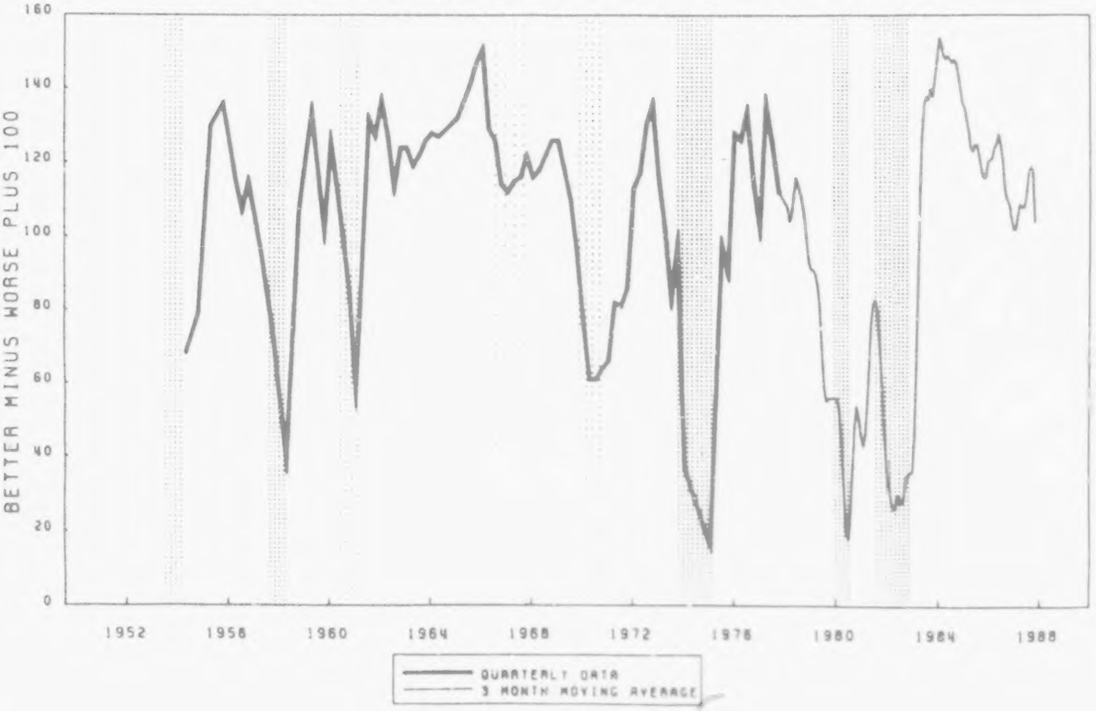


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
BETTER NOW	45%	40%	43%	47%	45%	46%	43%	46%	50%	54%	49%	49%	33%
SAME	16	13	14	14	17	17	16	16	16	14	14	14	16
WORSE NOW	37	45	41	38	37	35	39	36	32	30	34	35	50
DK,NA	2	2	2	1	1	2	2	2	2	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

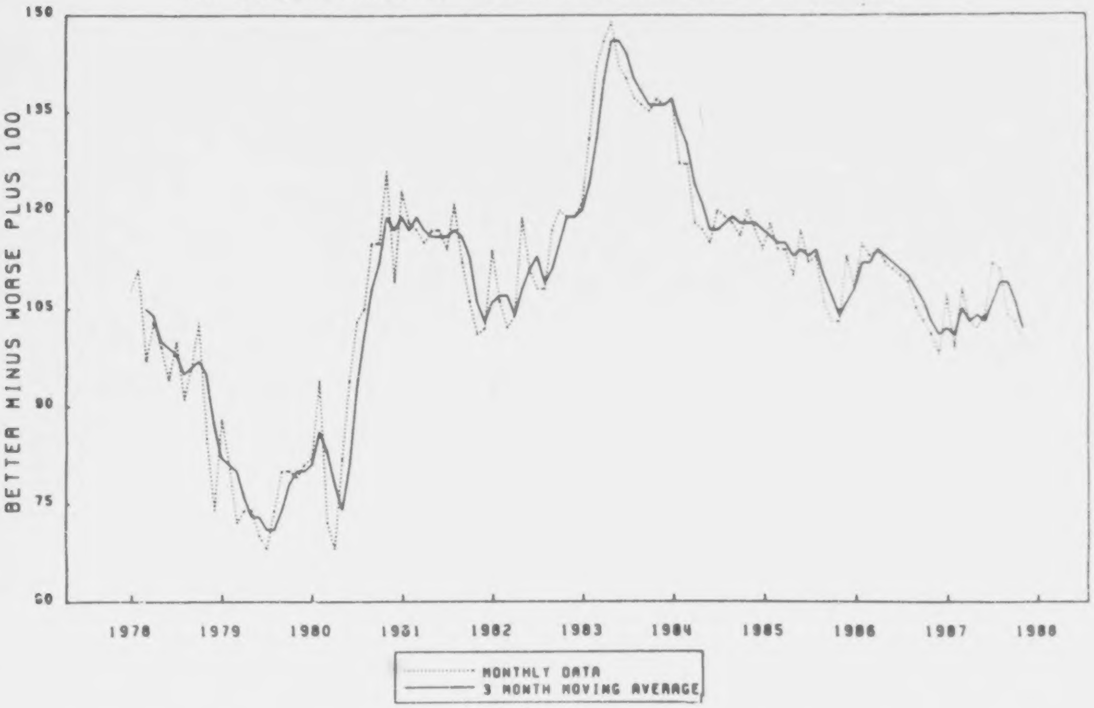


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

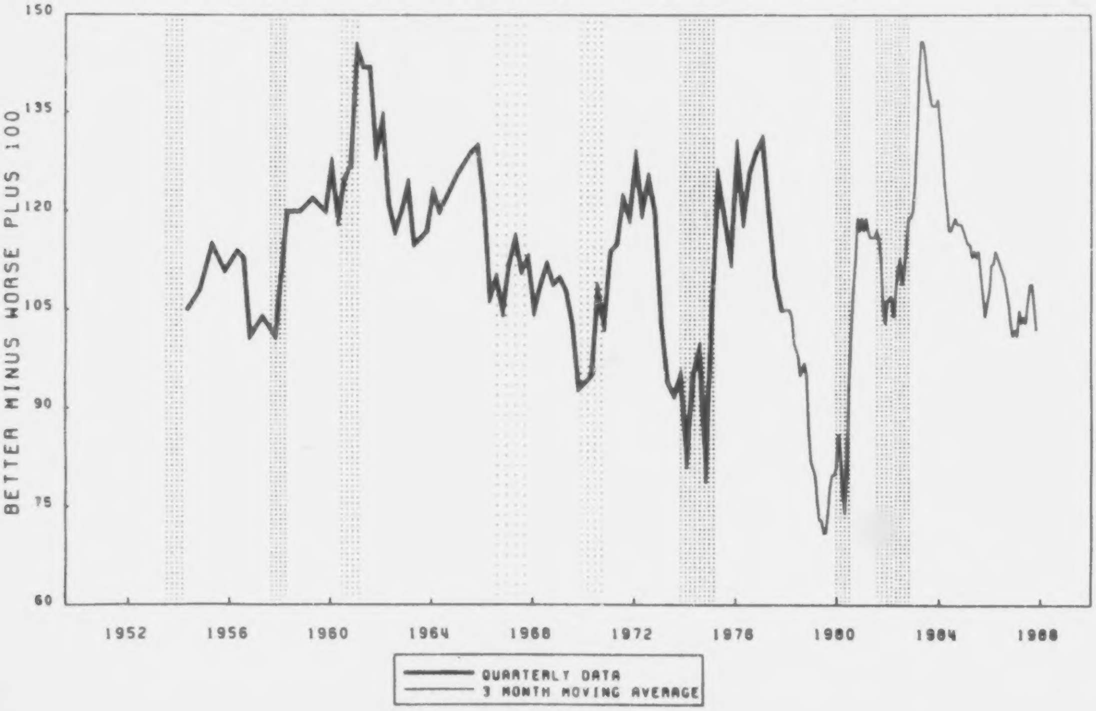


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
BETTER	20%	20%	24%	22%	22%	21%	22%	23%	26%	25%	21%	22%	23%
SAME	59	56	58	54	61	60	57	57	56	57	58	57	52
WORSE	19	22	17	23	14	18	20	19	14	14	17	19	23
DK,NA	2	2	1	1	3	1	1	1	4	4	4	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

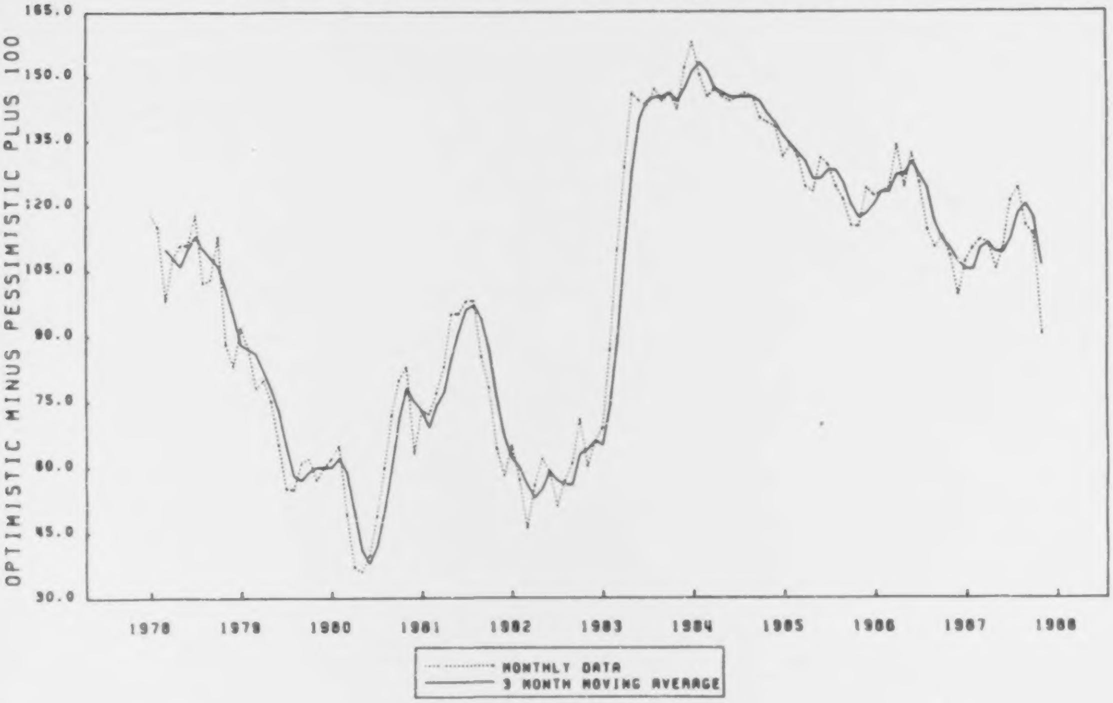


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

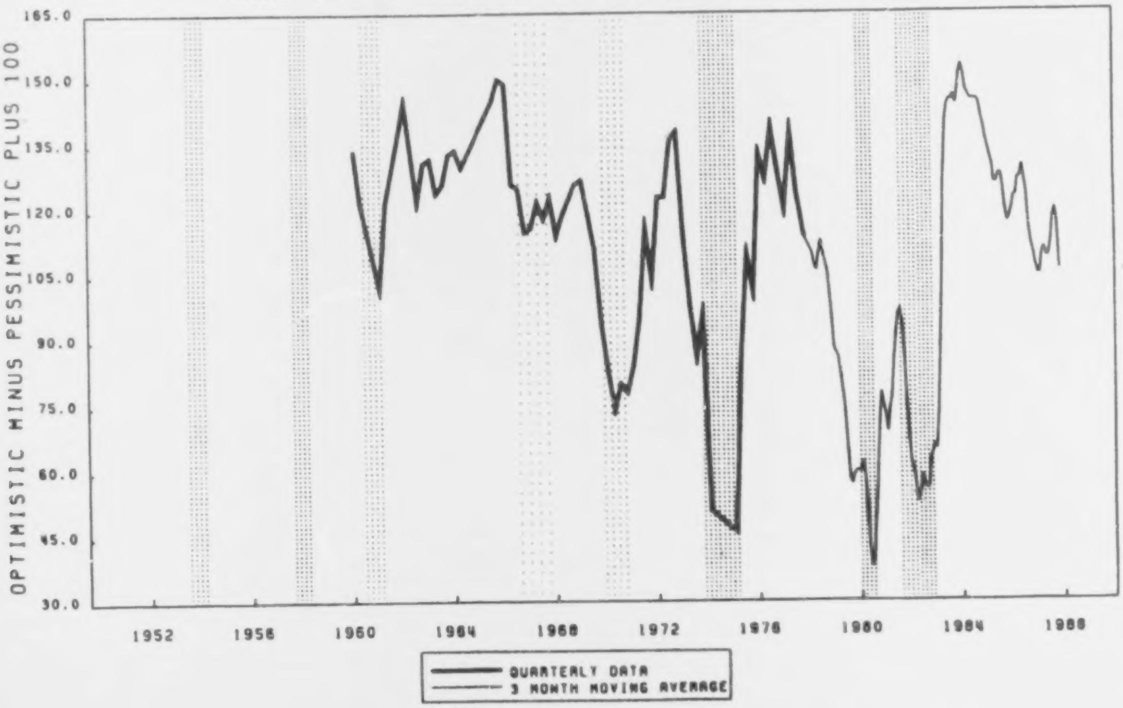


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
TREND:													
Continuous increase (a)	12%	12%	15%	14%	13%	13%	12%	14%	17%	19%	14%	16%	10%
Intermittant increase (b)	30	27	27	32	32	30	28	28	33	33	32	29	22
Remain unchanged (c)	10	10	10	7	11	11	10	11	9	9	9	10	10
Intermittant decline (d)	23	23	24	21	23	22	24	21	19	20	21	21	26
Continuous decline (e)	11	17	11	15	10	10	11	11	10	8	10	11	16
Mixed change (f)	11	7	10	9	7	10	12	12	7	6	9	10	14
DK,NA	3	4	3	2	4	4	3	3	5	5	5	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

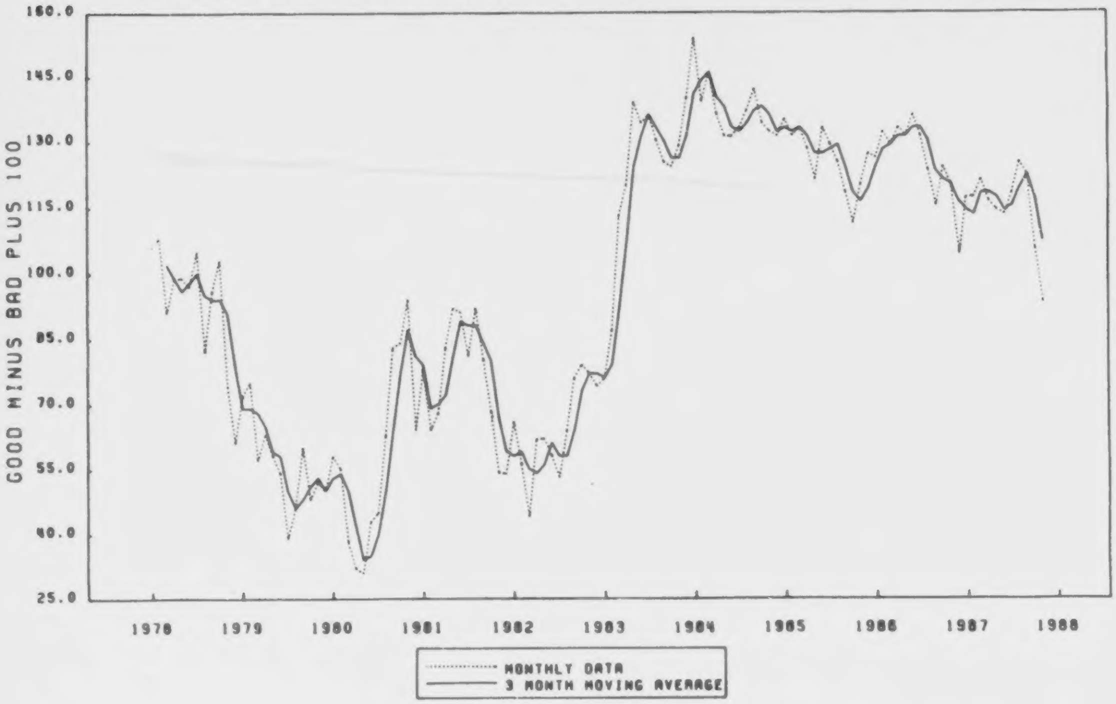


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

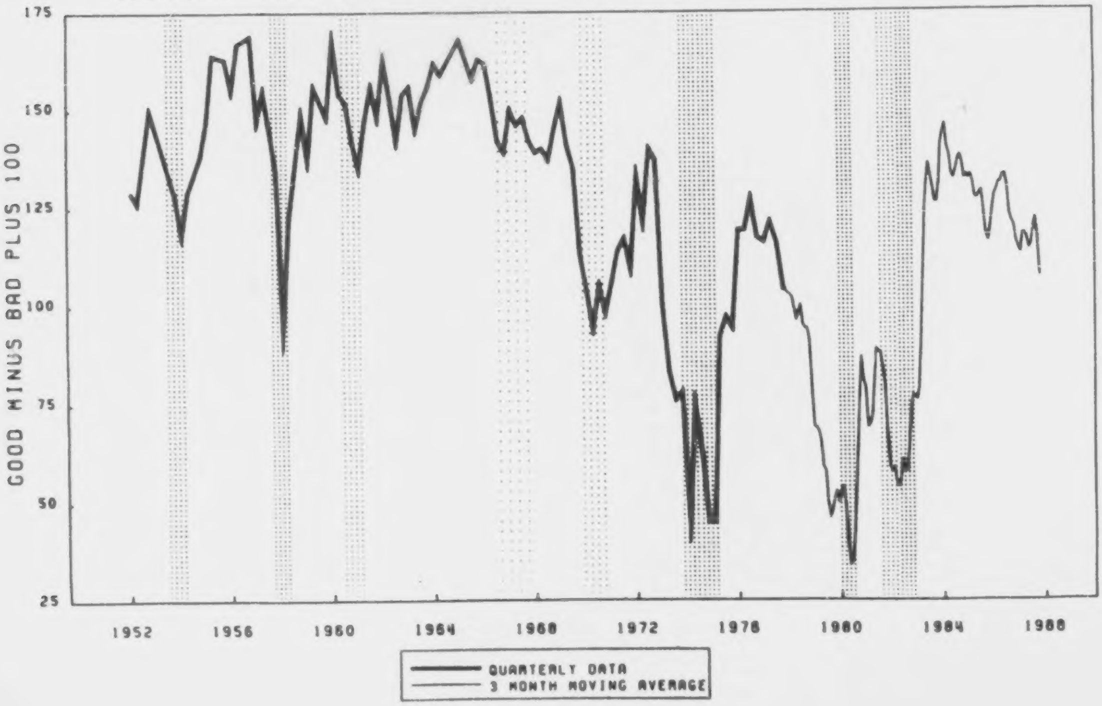


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIMES	53%	45%	53%	53%	55%	51%	51%	50%	51%	55%	51%	43%	38%
UNCERTAIN; GOOD & BAD	3	2	3	1	2	2	1	2	2	3	5	3	2
BAD TIMES	33	41	36	36	34	35	37	37	33	30	29	38	45
DON'T KNOW	5	5	4	5	5	8	5	5	7	7	7	7	8
NOT ASCERTAINED	6	7	4	5	4	4	6	6	7	5	8	9	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

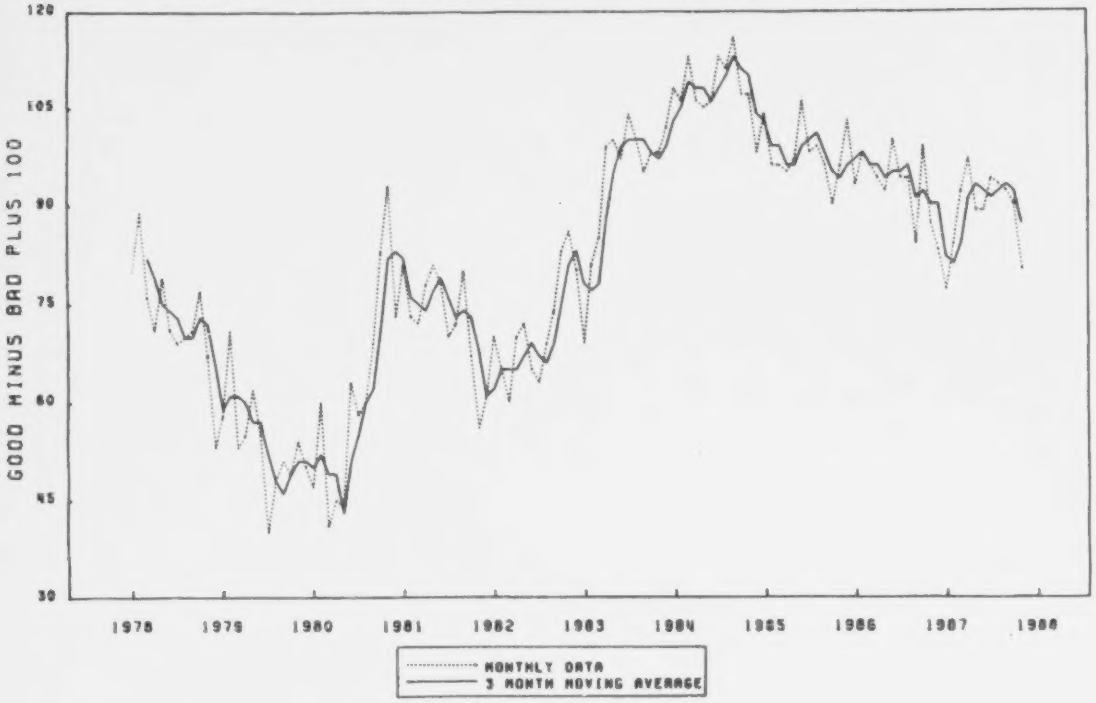


CHART 16 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

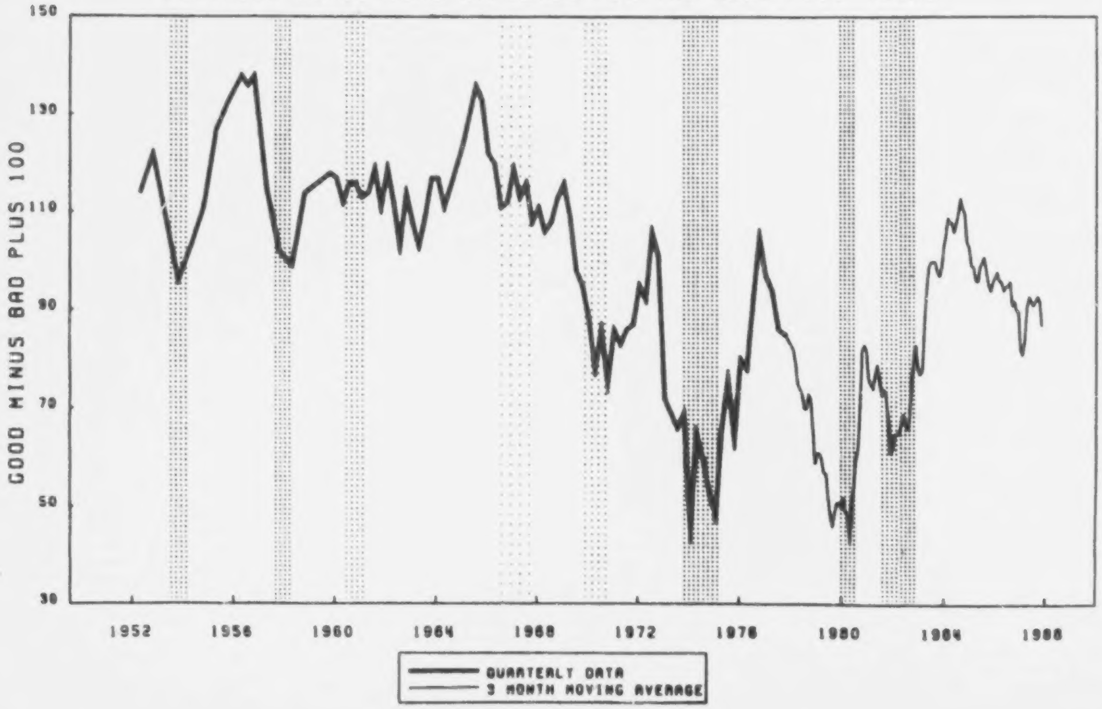


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIMES	35%	33%	30%	34%	39%	41%	36%	37%	36%	36%	37%	36%	31%
UNCERTAIN; GOOD & BAD	14	13	13	12	10	9	13	9	15	16	13	12	13
BAD TIMES	48	50	53	50	47	44	47	48	42	43	45	46	51
NOT ASCERTAINED	3	4	4	4	4	6	4	6	7	5	5	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

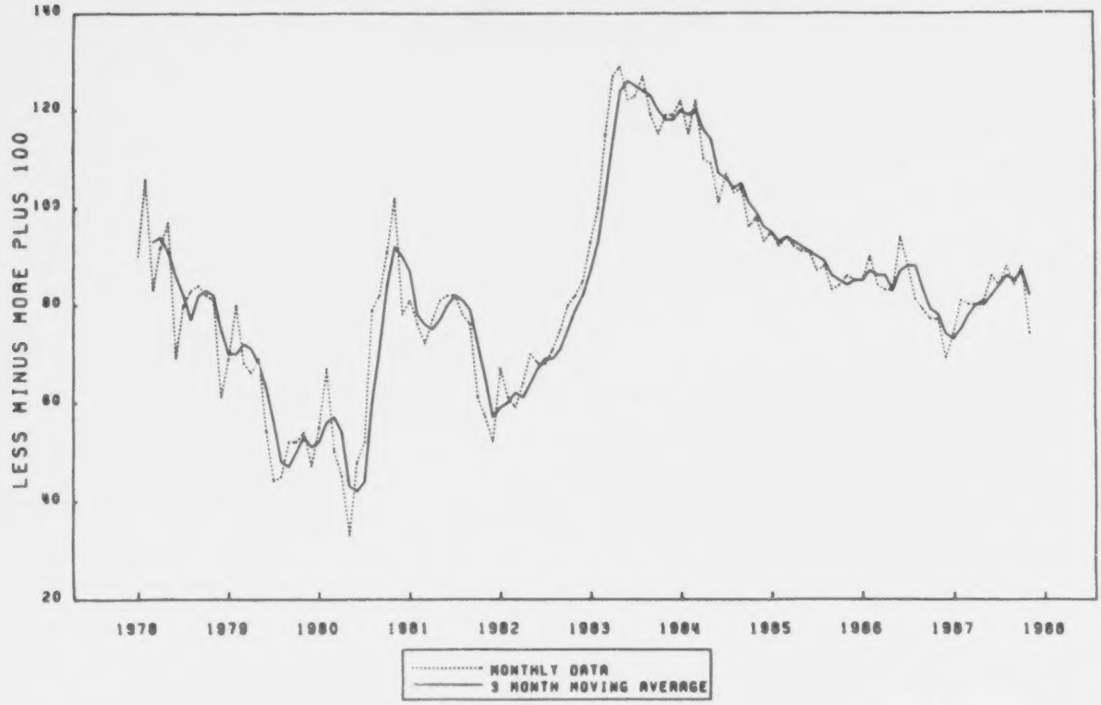


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

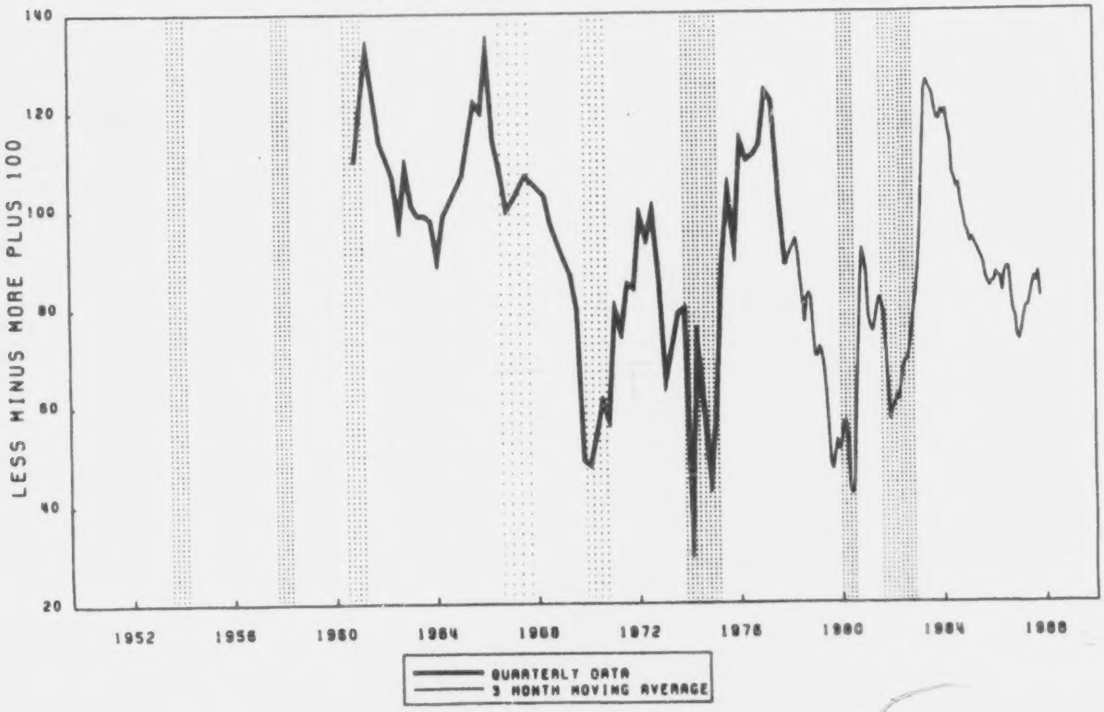


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
LESS	11%	11%	12%	14%	15%	13%	13%	16%	14%	15%	13%	17%	10%
SAME	54	46	49	52	48	52	53	52	55	56	57	52	53
MORE	34	42	38	33	35	33	32	30	30	27	29	29	36
DK,NA	1	1	1	1	2	2	2	2	1	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

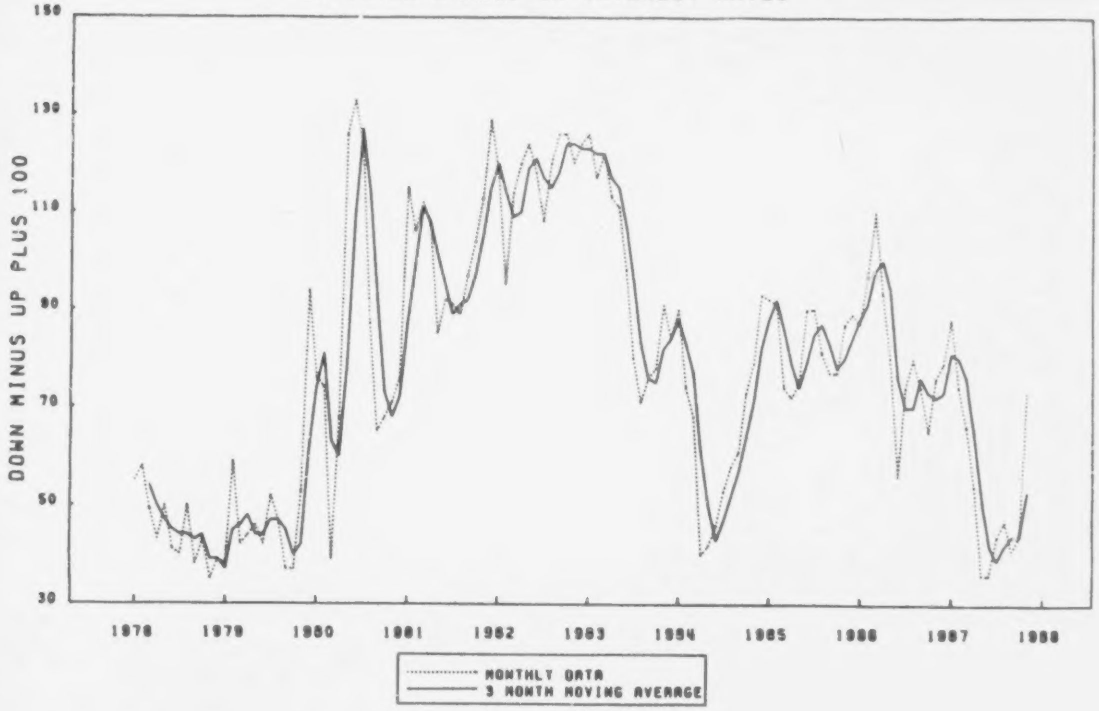


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

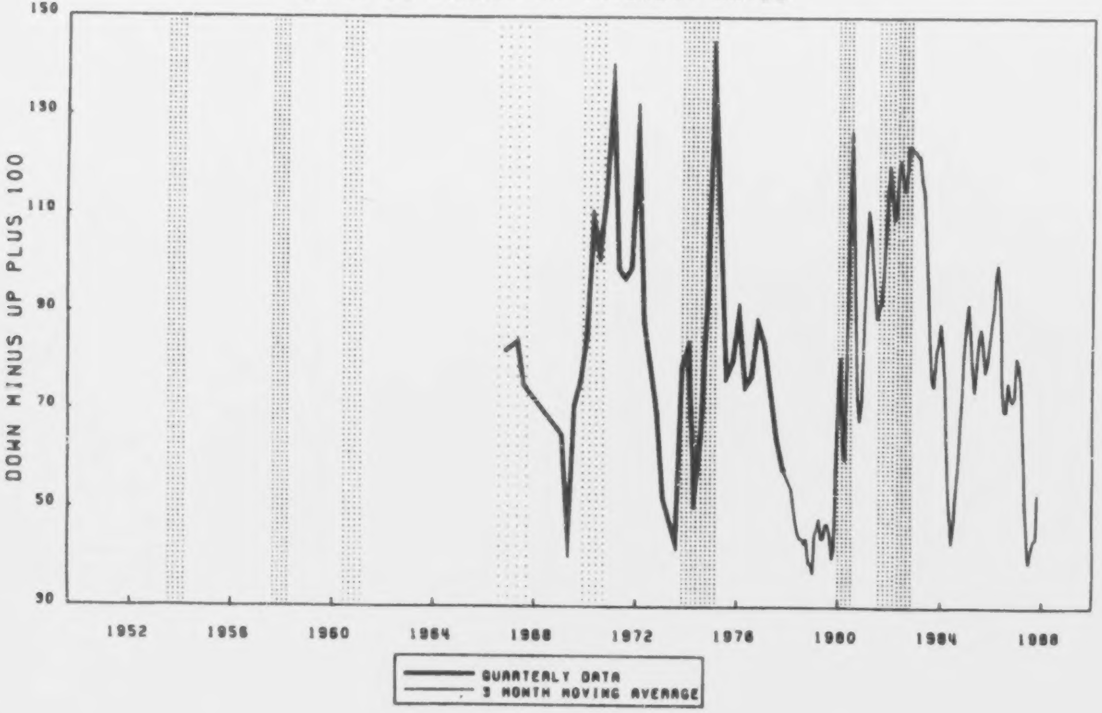


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GO UP	43%	41%	37%	43%	49%	57%	71%	69%	64%	62%	66%	67%	49%
STAY THE SAME	37	37	35	38	33	29	21	24	26	27	24	20	26
GO DOWN	19	20	25	17	15	11	7	5	8	9	7	11	22
DK,NA	1	2	3	2	3	3	1	2	2	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

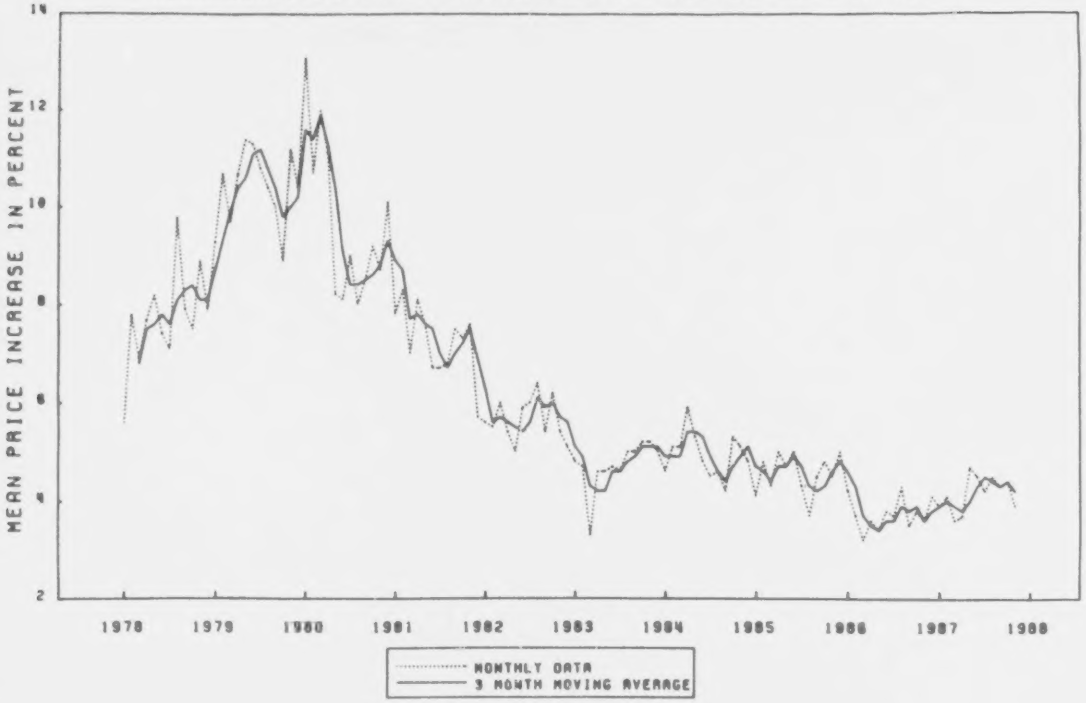


CHART 19 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

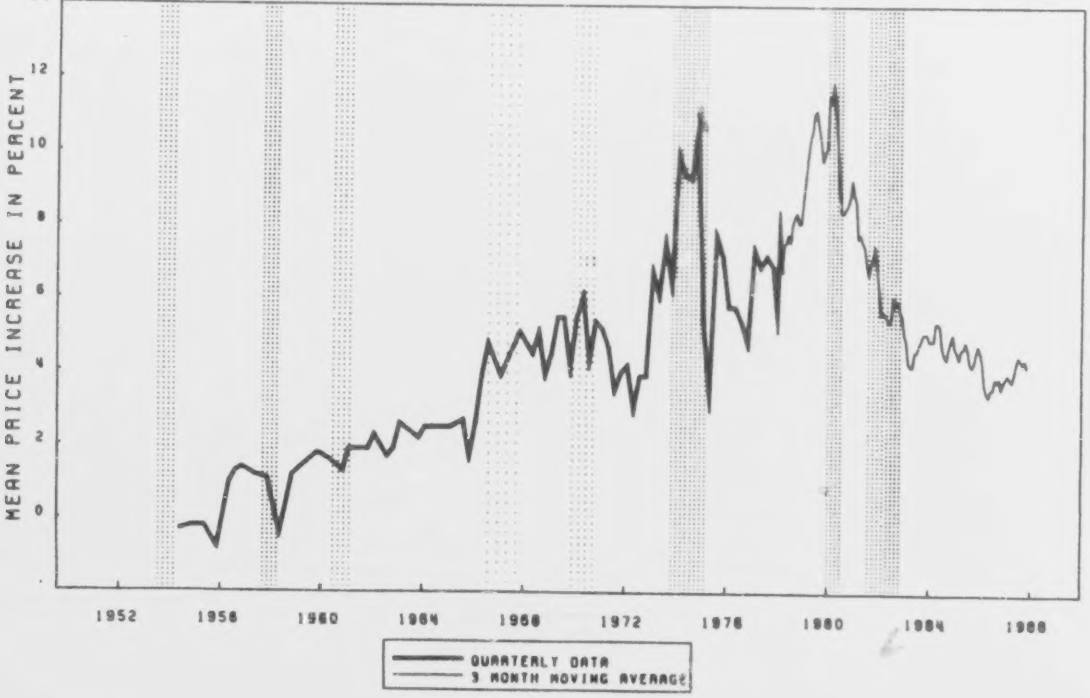


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
SAME OR DOWN	22%	20%	20%	21%	21%	19%	15%	14%	17%	13%	17%	15%	20%
WILL GO UP BY:													
1-2%	19	18	18	17	19	19	18	18	20	20	20	18	16
3-4%	25	23	24	21	21	23	23	25	23	25	24	23	22
5%	15	17	14	18	18	16	18	17	16	17	16	20	20
6-9%	6	7	6	5	6	8	10	7	7	8	6	7	8
10-14%	7	6	7	9	5	7	7	8	9	6	7	8	5
15% or more	2	4	4	4	3	2	4	4	3	4	3	3	4
DK how much up	3	4	6	5	6	6	4	6	4	6	5	5	4
DK,NA	1	1	1	*	1	*	1	1	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.6	4.1	3.9	4.1	3.6	3.7	4.7	4.5	4.2	4.5	4.3	4.4	3.9
VARIANCE	28	32	25	26	18	21	36	27	28	32	41	28	25
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

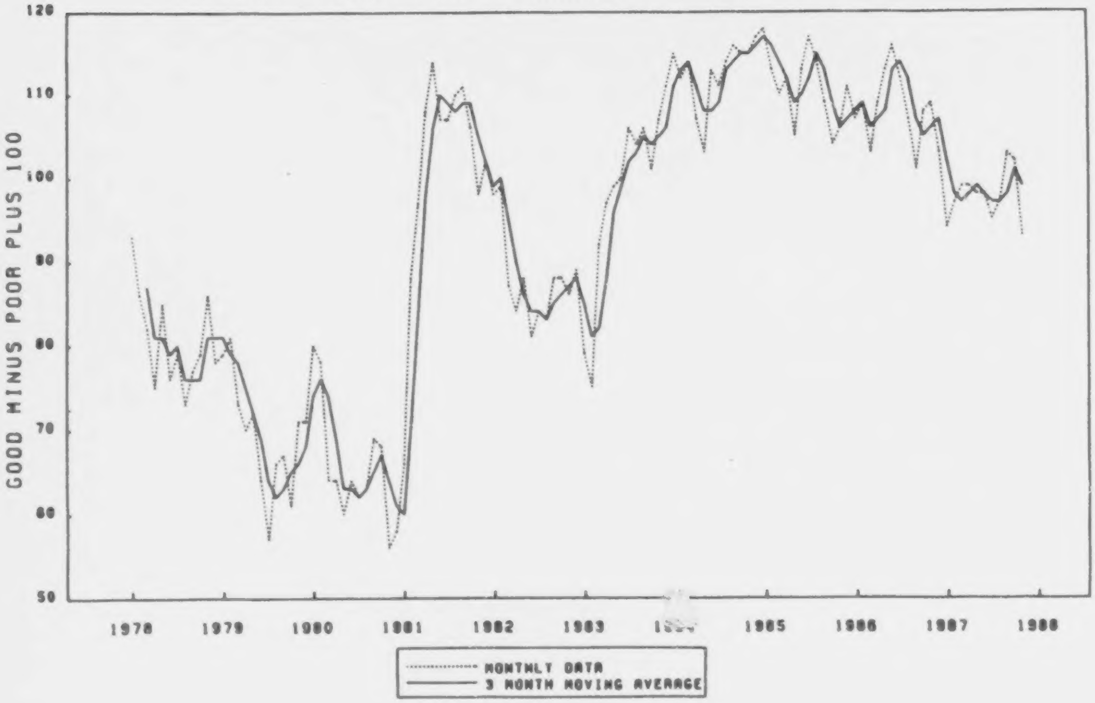


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

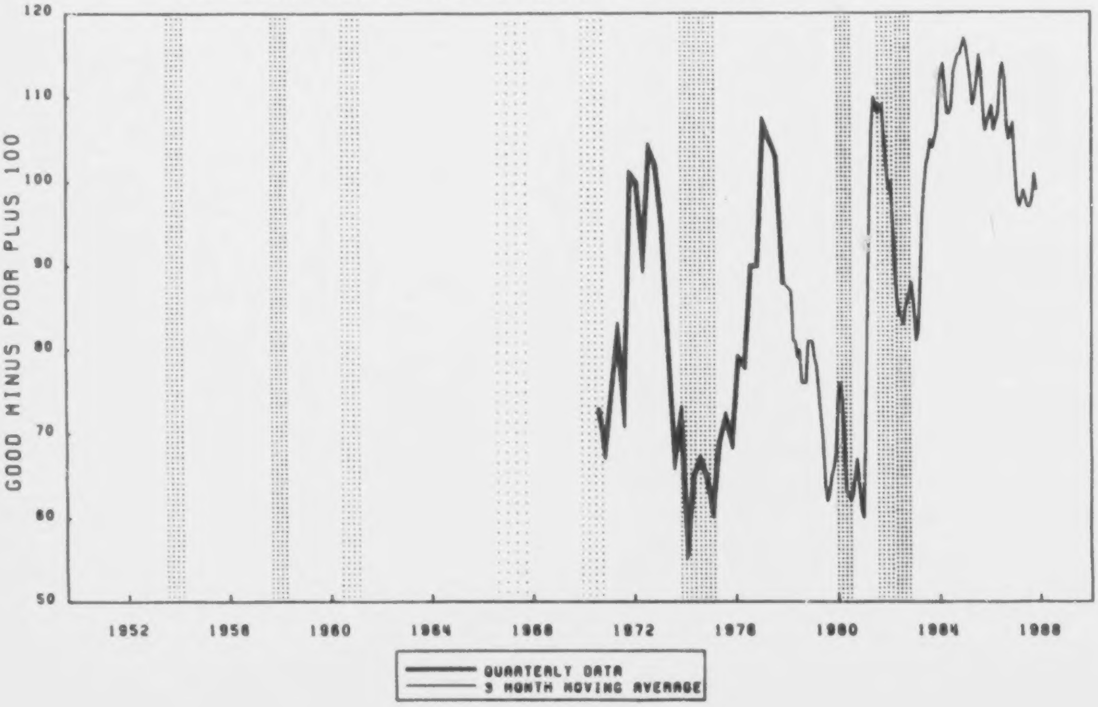


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
A GOOD JOB	28%	26%	20%	23%	23%	21%	21%	23%	21%	23%	23%	25%	18%
ONLY FAIR	51	49	52	49	52	55	55	49	52	48	54	48	54
A POOR JOB	19	23	26	26	24	22	23	25	26	26	20	23	25
DK,NA	2	2	2	2	1	2	1	3	1	3	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

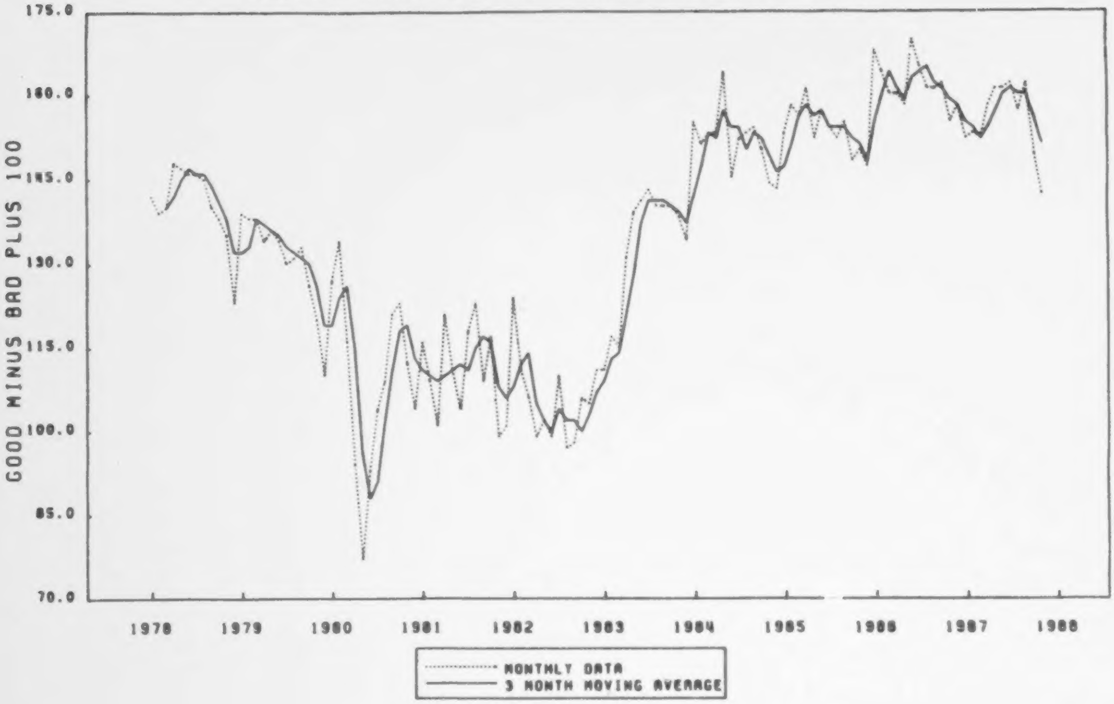


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

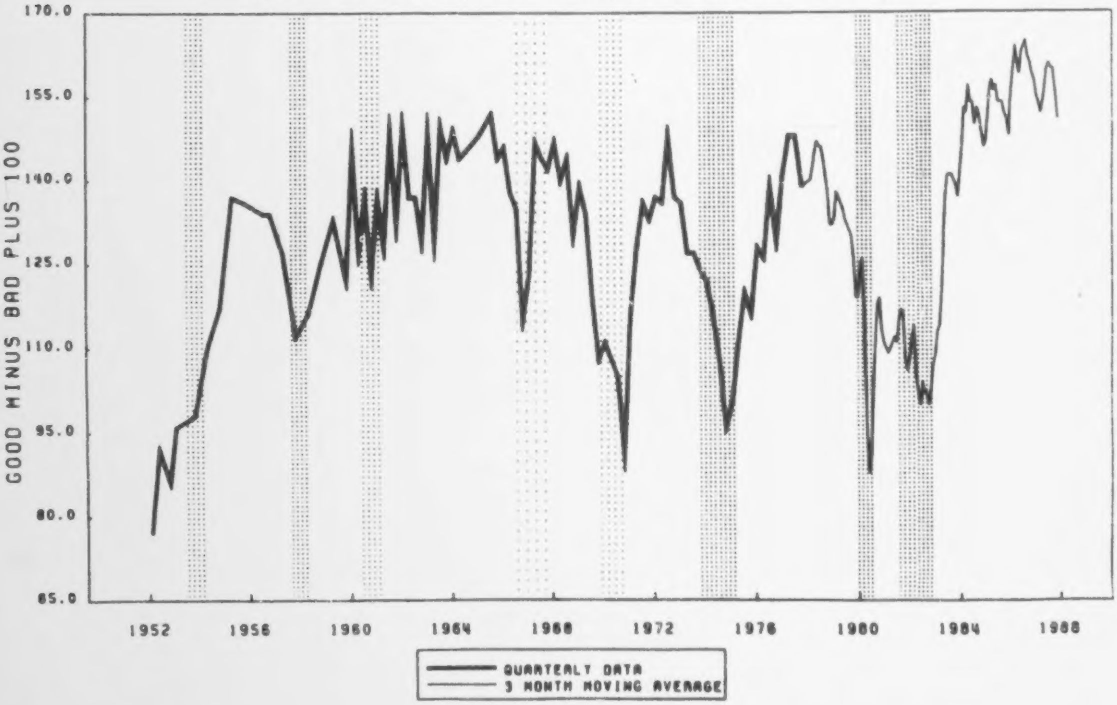


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIME TO BUY	72%	75%	72%	73%	71%	74%	76%	76%	76%	74%	75%	69%	66%
UNCERTAIN, DEPENDS	11	8	8	7	10	10	9	9	10	9	12	11	10
BAD TIME TO BUY	17	17	20	20	19	16	15	15	14	17	13	20	24
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

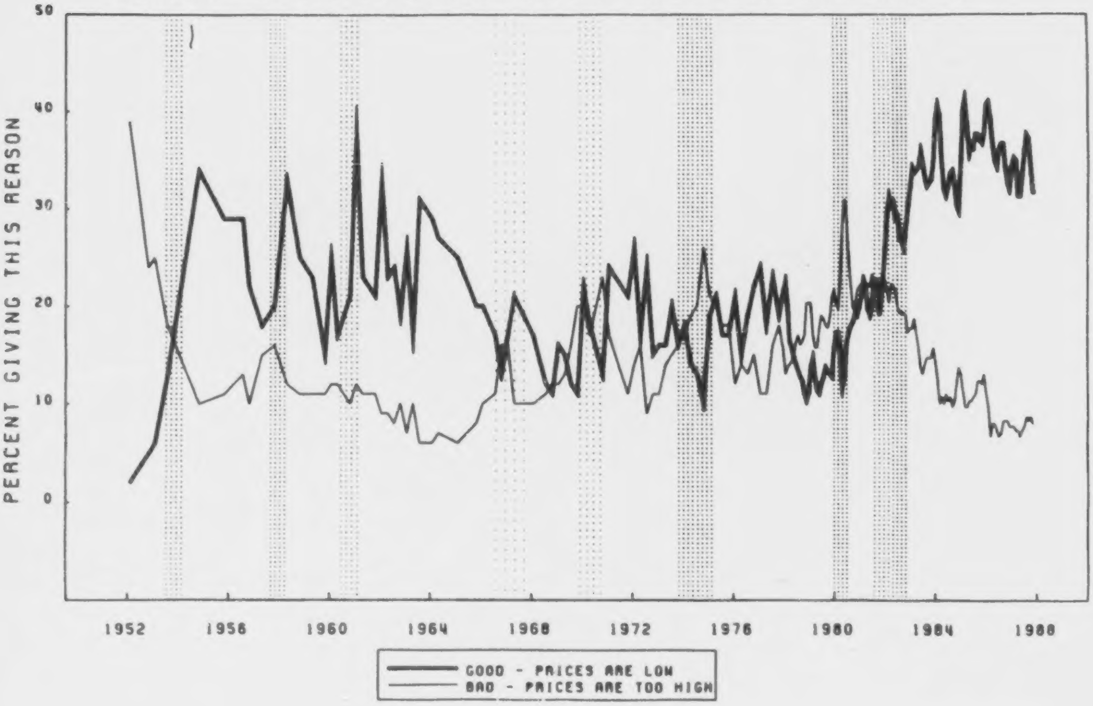


CHART 22B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

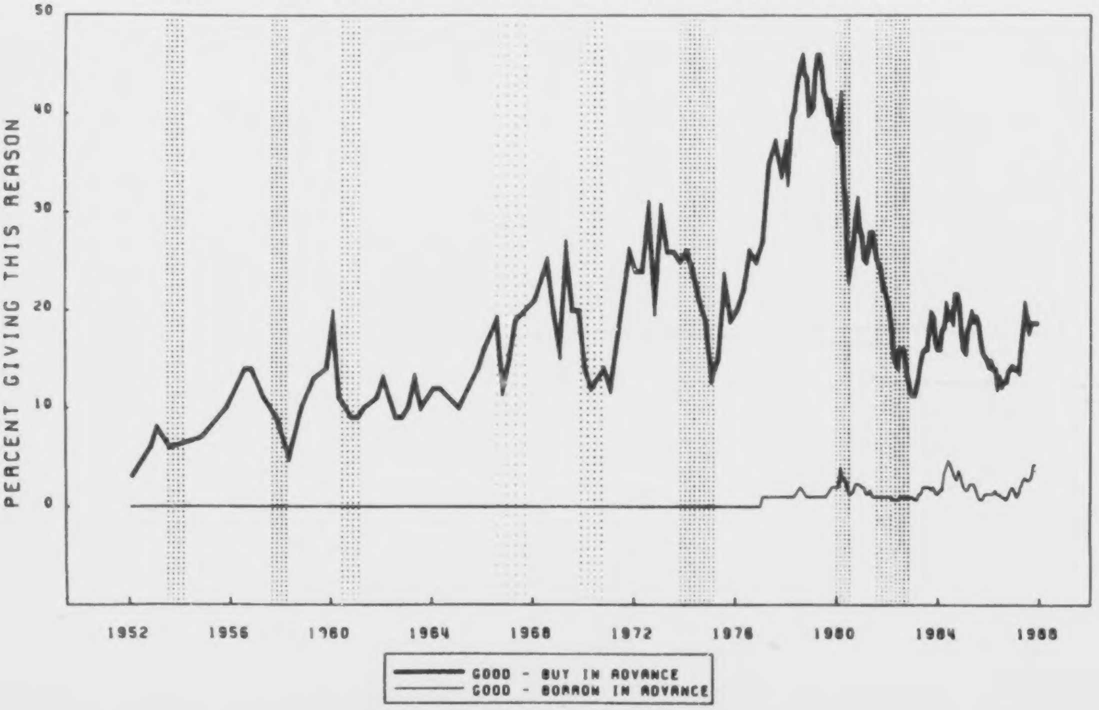


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	33%	40%	33%	32%	29%	33%	38%	37%	38%	37%	28%	30%
Prices won't come down; are going higher	14	15	13	14	14	20	20	21	17	16	23	17	16
Interest rates low	22	17	19	20	21	18	16	12	11	15	11	9	11
Borrow-in-advance rates	3	1	1	1	2	3	3	3	2	3	4	6	3
Times are good; prosperity	6	5	6	6	6	7	6	5	6	6	6	7	4
BAD TIME TO BUY:													
Prices are high	8	8	7	8	7	7	6	9	8	9	8	9	7
Interest rates are high; credit is tight	3	2	3	4	4	3	3	3	3	4	4	4	8
Times are bad; can't afford to buy	5	4	7	5	6	4	3	4	3	5	2	6	4
Bad times ahead; uncertain future	3	3	1	2	2	1	2	2	2	1	1	4	10

Responses to the query: "Why do you say so?" following the question on table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

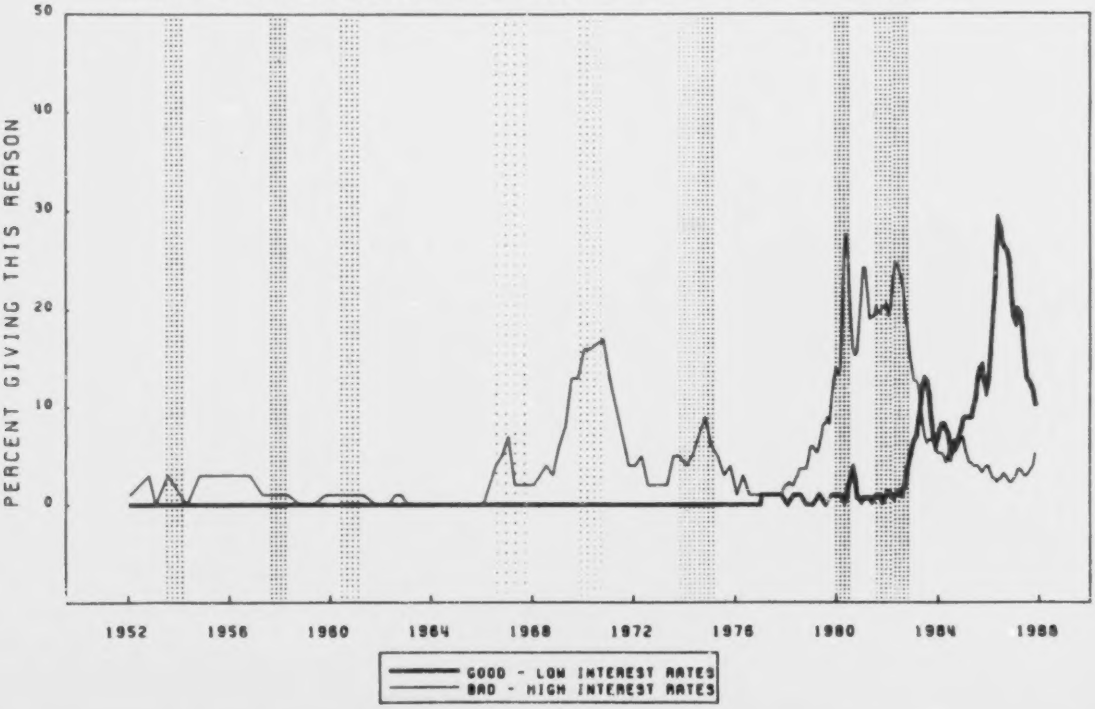


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

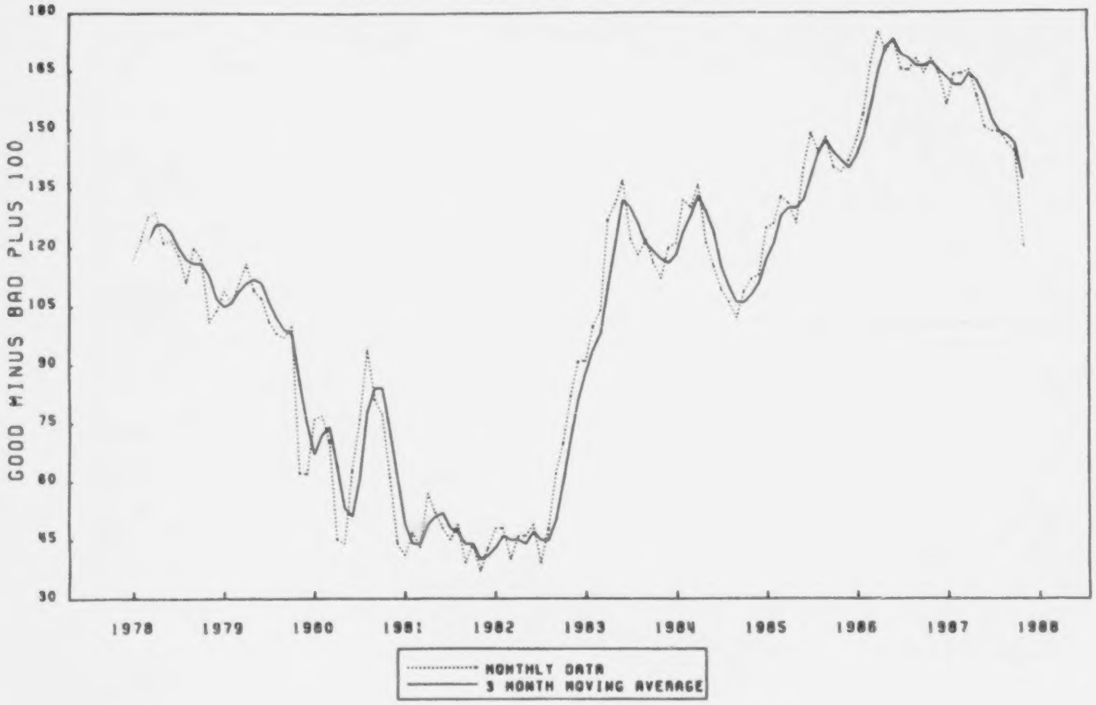


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

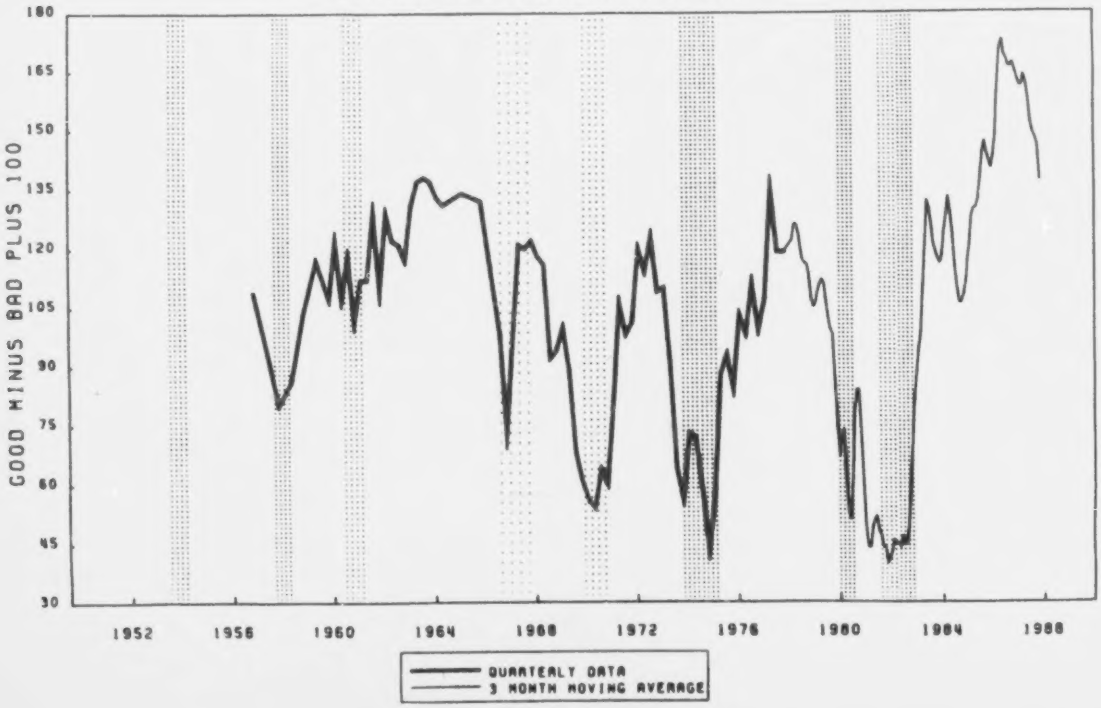


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIME TO BUY	83%	80%	76%	81%	80%	82%	77%	73%	72%	73%	71%	70%	58%
UNCERTAIN, DEPENDS	2	4	4	2	4	1	4	4	5	3	4	4	4
BAD TIME TO BUY	15	16	20	17	16	17	19	23	23	24	25	26	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

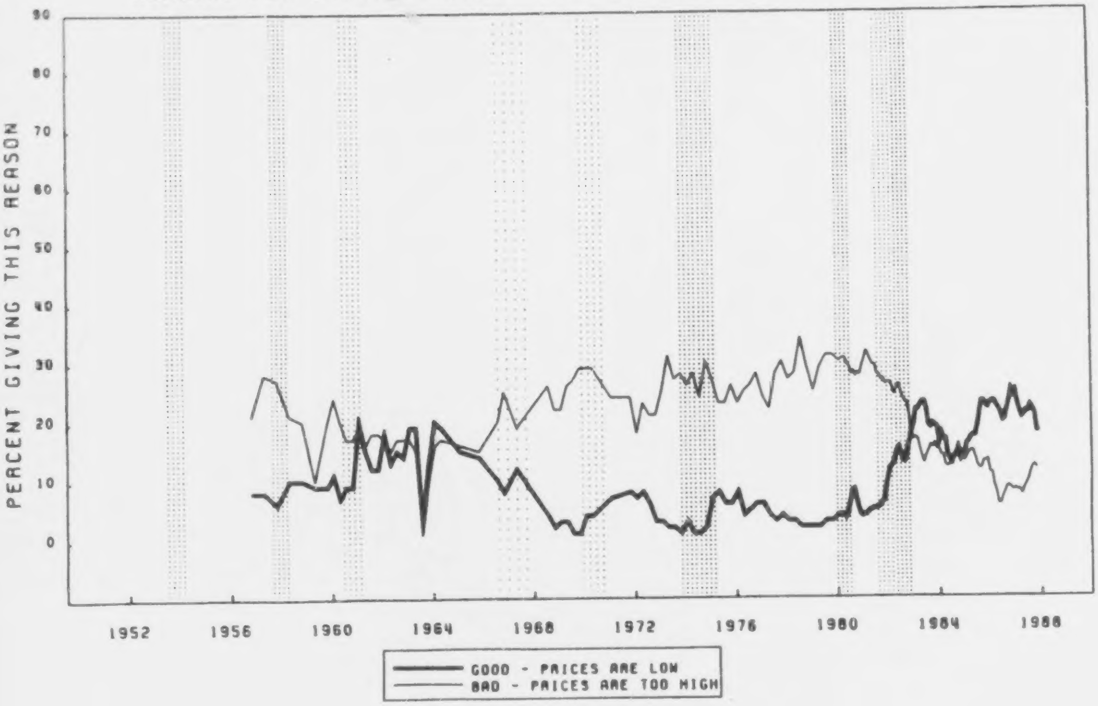


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

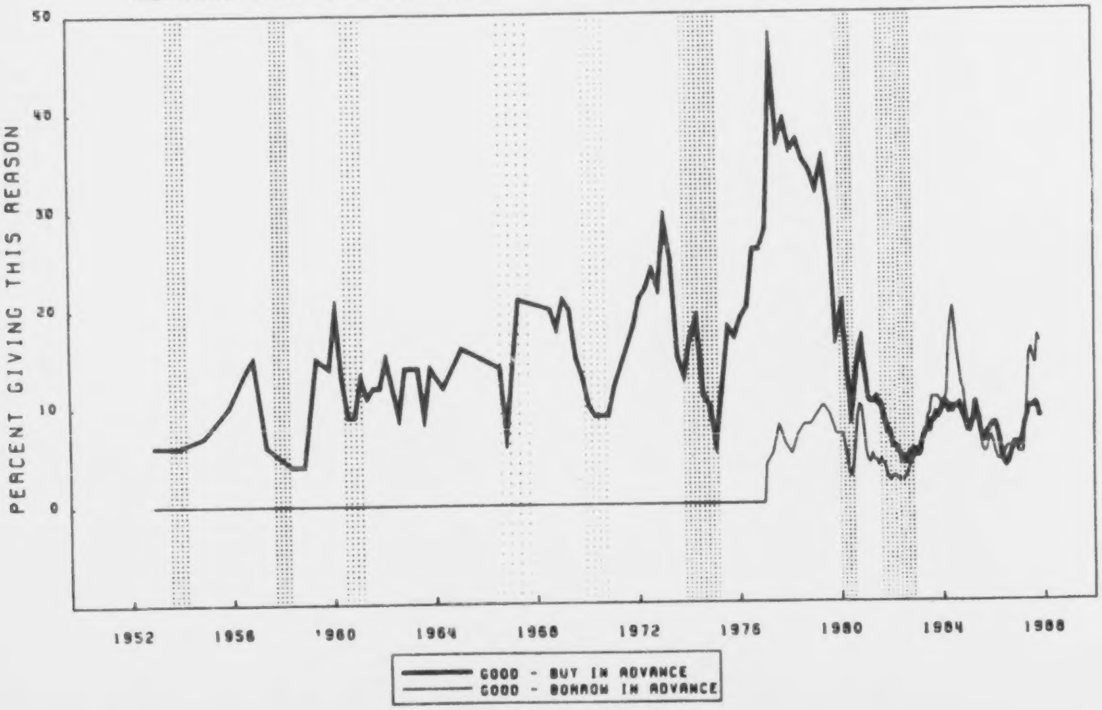


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	27%	23%	24%	21%	19%	21%	22%	21%	21%	25%	19%	19%	16%
Prices won't come down; are going higher	6	6	5	7	8	9	9	11	9	9	12	8	6
Interest rates low	69	68	65	68	66	60	50	45	46	44	37	33	32
Borrow-in-advance rates	6	5	4	6	5	11	16	18	13	13	16	22	11
Good investment	5	6	6	3	6	7	5	5	6	7	7	6	7
Times are good; prosperity	3	1	1	2	5	2	4	2	4	2	5	3	3
BAD TIME TO BUY:													
Prices are high	7	8	10	6	8	8	9	10	10	13	13	11	11
Interest rates are high; credit is tight	5	5	7	6	6	4	9	12	12	10	13	18	19
Times are bad; can't afford to buy	5	4	8	5	6	5	5	5	4	5	5	7	5
Bad times ahead; uncertain future	3	3	1	3	1	3	2	3	1	3	3	4	13

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

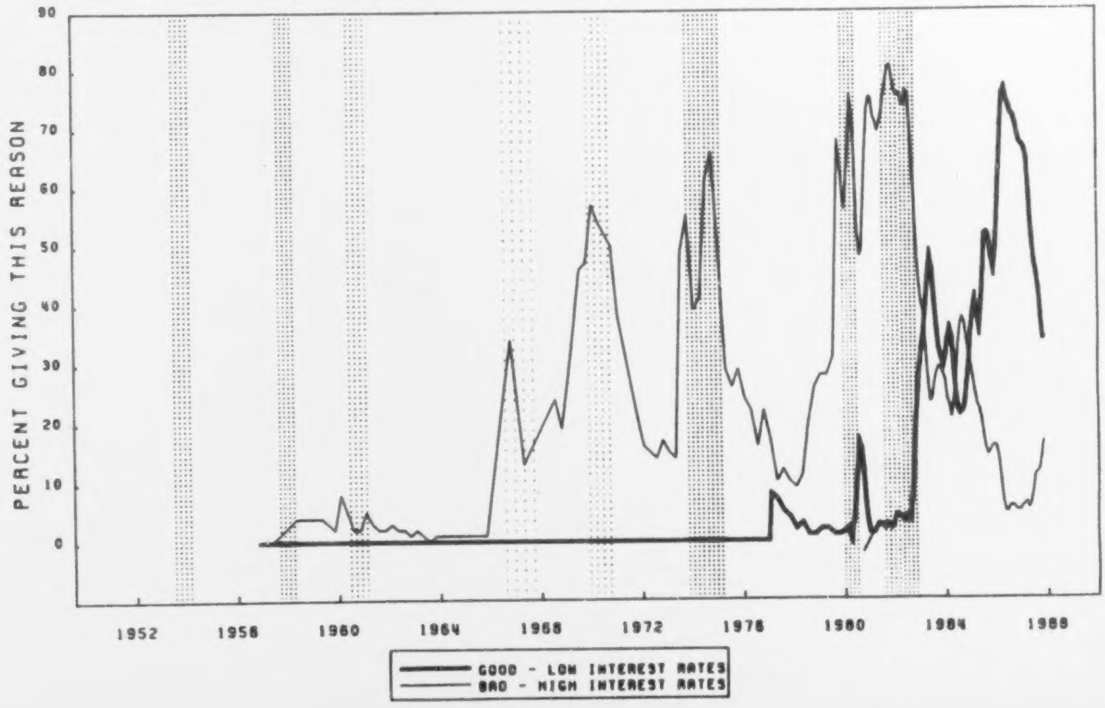


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

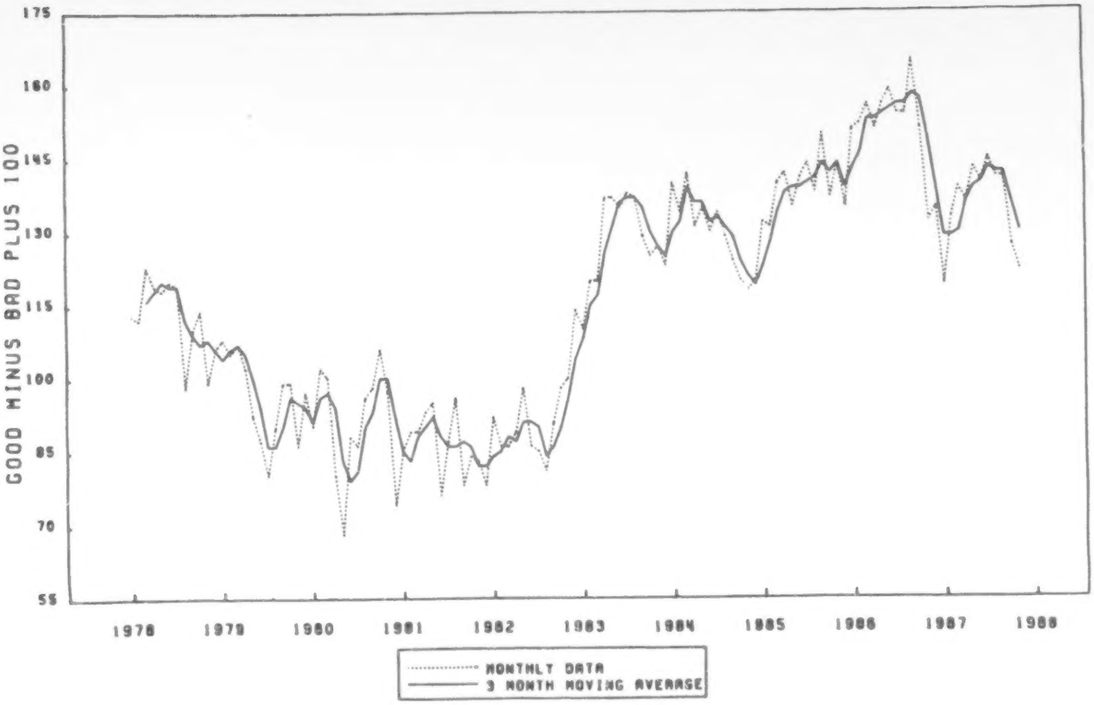


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

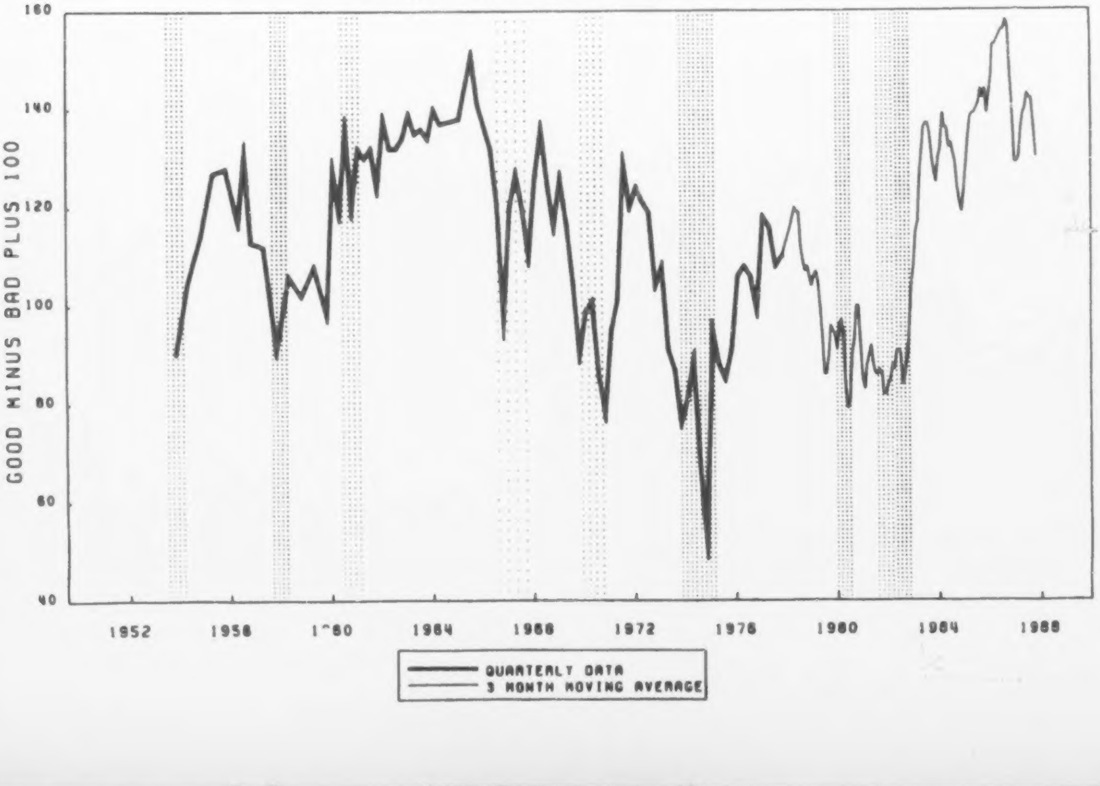


TABLE 25

BUYING CONDITIONS FOR CARS

	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIME TO BUY	63%	64%	55%	62%	66%	64%	67%	65%	67%	66%	66%	58%	57%
UNCERTAIN; DEPENDS	6	7	9	9	7	8	9	10	11	9	9	11	8
BAD TIME TO BUY	31	29	36	29	27	28	24	25	22	25	25	31	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	656	653	655	657	652	652	651	654	651	654	650	500	501

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

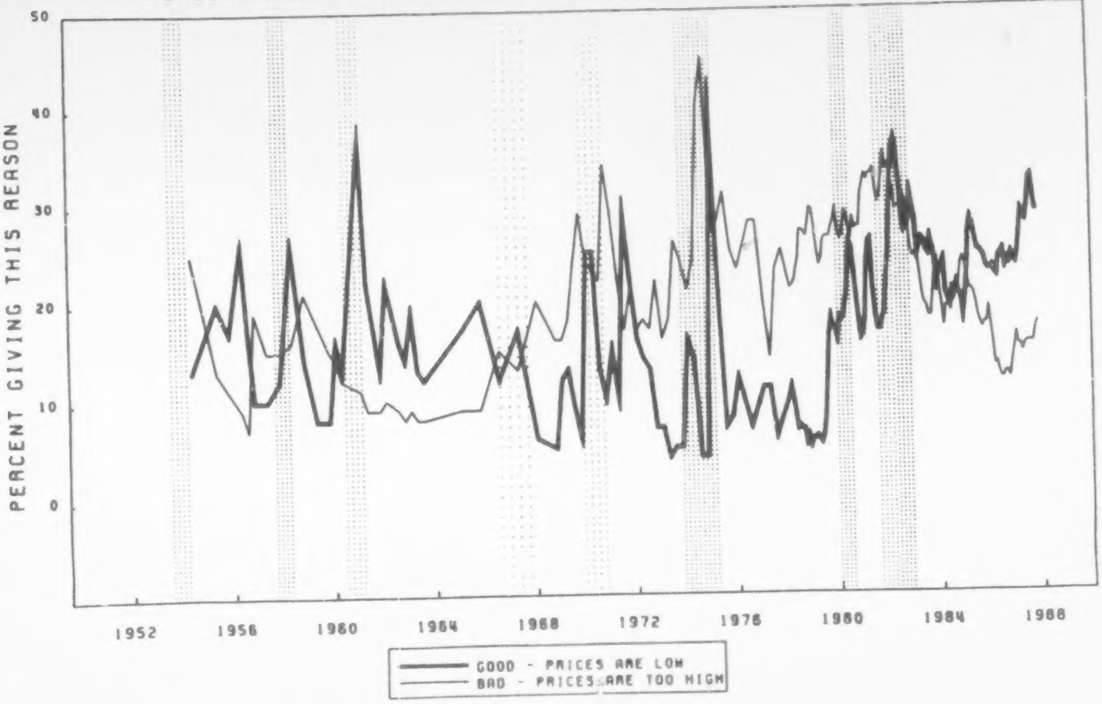


CHART 26B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

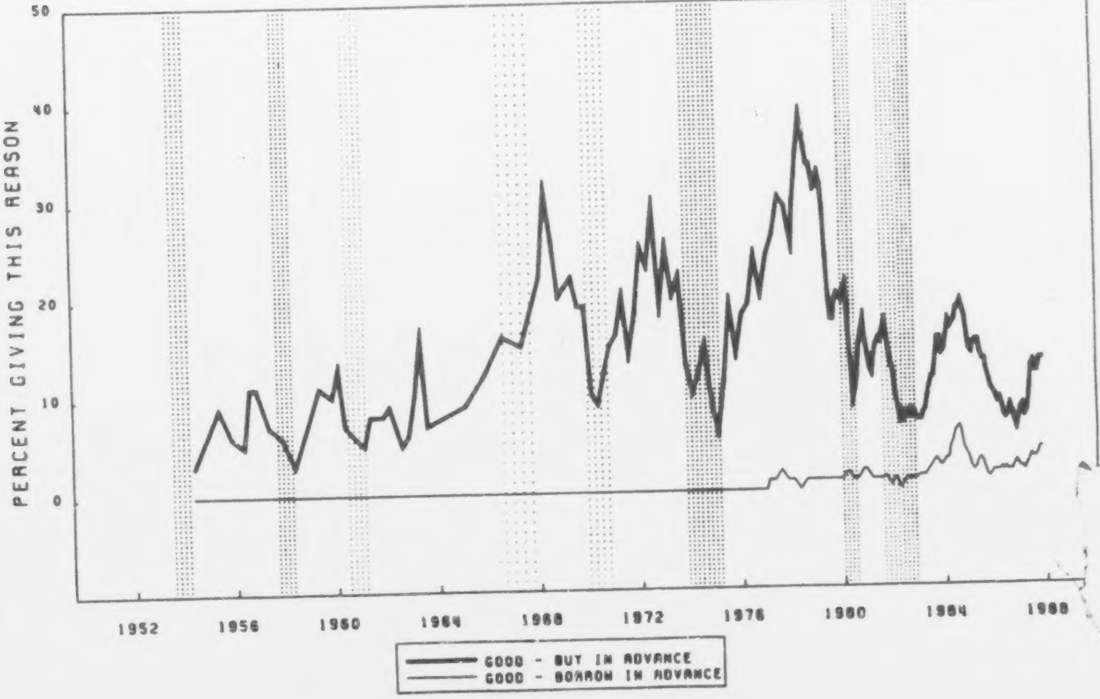


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Nov. 1986	Dec. 1987	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	23%	21%	29%	29%	28%	27%	28%	32%	36%	29%	26%	31%
Prices won't come down; are going higher	7	9	8	8	6	9	13	15	10	10	15	14	10
Interest rates low	42	43	32	36	43	37	37	35	28	35	36	22	21
Borrow-in-advance rates	2	2	2	2	1	4	3	3	3	3	4	5	3
Times are good; prosperity	2	1	3	2	1	3	2	*	3	2	2	4	2
New fuel efficient models	*	*	1	*	*	1	*	1	1	*	*	*	*
BAD TIME TO BUY:													
Prices are high	17	15	17	13	15	15	15	16	15	15	16	19	17
Interest rates are high; credit is tight	9	4	6	4	4	2	6	5	5	5	4	7	10
Times are bad; can't afford to buy	3	3	5	3	3	3	3	3	3	3	3	3	4
Bad times ahead; uncertain future	1	1	1	3	2	2	2	1	1	*	1	3	9
Price of gas; shortages	*	*	*	*	*	*	*	*	1	1	1	*	*
Poor selection; quality	2	2	2	2	2	3	3	2	3	5	4	2	2

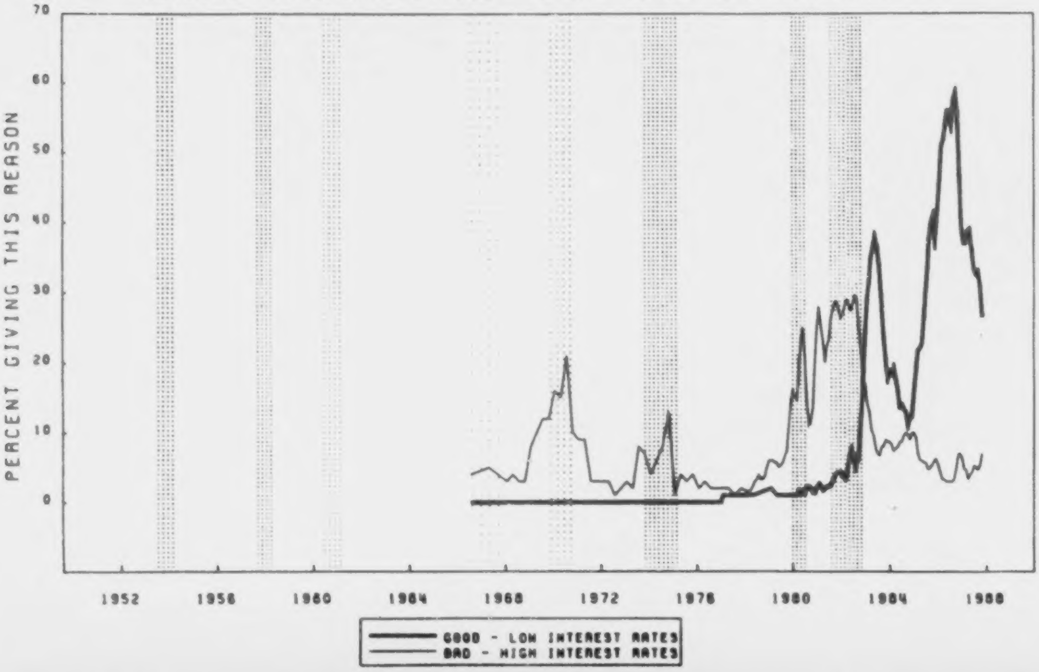
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

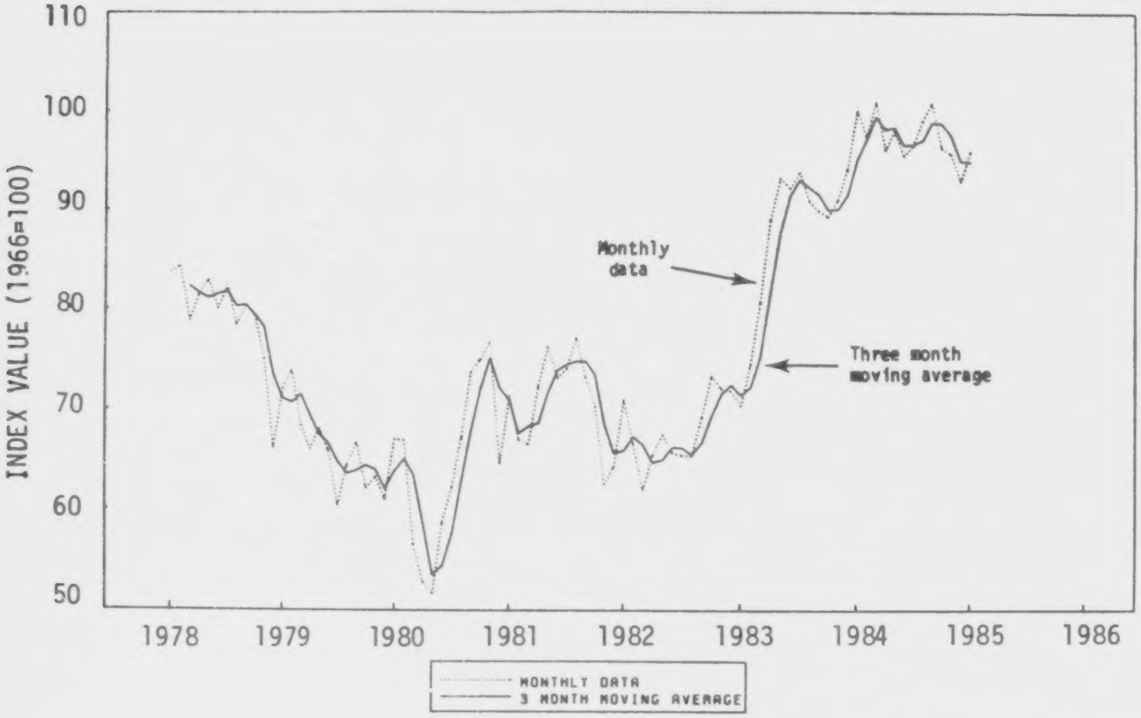
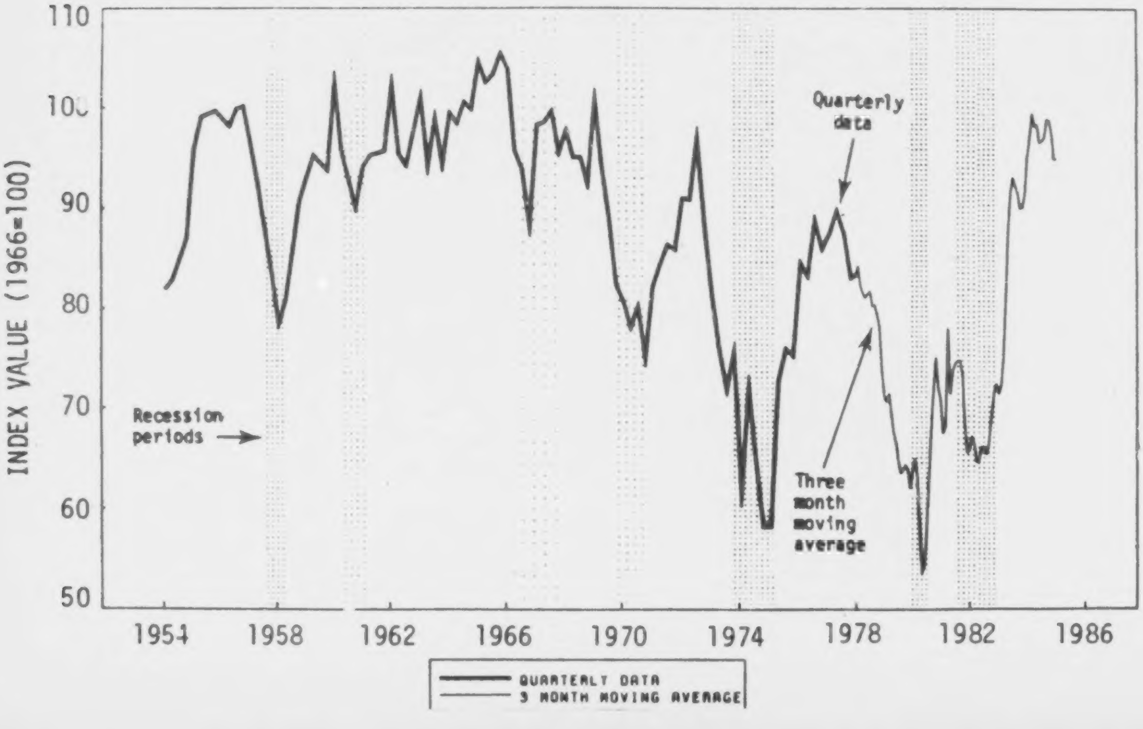


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	 1,400[c]	 2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

12/31/87 U7475-2 A

December 23, 1987

DECEMBER 1987 MONTHLY REPORT

Surveys of Consumers

Richard T. Curtin, *Director*

SMALL REBOUND IN CONFIDENCE

- The Index of Consumer Sentiment rose to 86.8 in the December 1987 survey from the November reading of 83.1. This small rebound in consumer confidence, while far from reversing the recent losses, does indicate that the sudden plunge in stock prices has not triggered a free-fall in consumer confidence. The heightened sense of uncertainty expressed by consumers in the days and weeks following Black Monday has lessened, as the worst fears have not been confirmed by subsequent developments. Although the initial reactions of fear and uncertainty have dissipated, providing the basis for the small rebound in confidence, grave concerns about the outlook for the domestic economy still dominate consumer evaluations. Nonetheless, the December 1987 survey represents the first encouraging news since October 19th. Importantly, buying attitudes have improved in response to increased discounting, and personal finances have remained at favorable levels. These data indicate that consumers will remain cautious in their spending plans, but that a sharp retrenchment is not now underway.

- Prospects for the national economy improved in the December 1987 survey, but the improvement was insufficient to reverse the overall unfavorable balance of opinion. Among all families, 43 percent expected bad times financially in the economy during the year ahead, down from 45 percent in November, but substantially above the 29 percent recorded in September. Prospects for the economy over the longer term also posted a small improvement in the December survey, but also remained negative: bad rather than good times financially in the country as a whole during the next five years were expected by the margin of 44 to 33 percent.

- When asked about the likelihood that the plunge in stock prices would lead to a recession, a majority of respondents in both the November and December surveys thought that it would. And only a small and insignificant decline in consumers' judgments of the likelihood of a recession was recorded in December. Overall, 65 percent of all families in the December survey thought that a recession was "somewhat" or "very" likely, just below the 68 percent recorded in November, while the proportion of consumers that thought a recession was "not likely" rose to 32 from 28 percent. These judgments have had a strong impact on consumer confidence. Among families that judged a recession "very likely," the Index of Consumer Sentiment averaged just 68.2, compared with an average of 102.7 among families that thought a recession was unlikely to result from the stock market crash.

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- Favorable attitudes toward buying conditions for large households goods were held by 69 percent of all families in the December 1987 survey, up from 66 percent one month earlier. This one month improvement was due to more frequent references to the availability of low or discounted prices—mentioned by 37 percent in December, up from 30 percent in November. This improvement still leaves these buying attitudes less favorable than three months or one year earlier, when 75 percent held favorable views.

- Favorable attitudes toward buying conditions for vehicles were held by 64 percent of all families in the December 1987 survey, up from 57 percent one month earlier, and equal to the year earlier reading. Although the proportion holding favorable attitudes is identical to a year ago, the reasons given by consumers for these favorable attitudes have changed substantially. During the past year the proportion of families that favorably mentioned interest rates fell to 23 from 45 percent, while references to price discounts rose to 31 from 23 percent. An additional 14 percent of families in the December survey cited the advantage of buying in advance of rising prices—mainly for imported vehicles.

- Home buying attitudes improved substantially in the December 1987 survey, with the proportion holding favorable attitudes toward home buying conditions rising to 68 percent in December from 58 percent in November. Despite the rebound, the December 1987 reading was lower than the figures recorded three months (71 percent) or one year earlier (80 percent). The December rebound was due to more favorable views of market prices (mentioned by 21 percent, up from 16 percent in November), and more favorable views of mortgage interest rates (mentioned by 52 percent, up from 43 percent in November).

- Consumers' evaluations of their personal financial situation remained at favorable levels in the December 1987 survey. Among all families, 43 percent reported being better off financially in December, largely unchanged during the past three months. Reports of increases in family incomes remained as frequent in December as in the prior month (33 percent). Consumers view their financial prospects for the year ahead in favorable terms, although they were slightly less optimistic at year end. Among all families, 32 percent expected to be better off financially during the year ahead, down from 35 percent three months earlier, and 36 percent one year earlier.

• • •

The December 1987 survey was conducted between November 25 and December 22, 1987 and included 500 completed interviews. The usual booklet of tables and charts for the December 1987 survey will be sent shortly.

TABLE 1

INDEX OF CONSUMER SENTIMENT AND ITS COMPONENTS

Index Measures (Table Number)	Dec 1986	Sept 1987	Oct 1987	Nov 1987	Dec 1987
Index of Consumer Sentiment(1)					
All Families(1)	89.1	93.6	89.3	83.1	86.8
Families with Incomes over $30,000(1)	98.4	100.6	99.9	87.7	94.5
Current Index(3)	105.8	108.3	103.1	99.3	102.7
Expected Index(3)	78.3	84.2	80.4	72.7	76.7
Personal Finances					
Current(3)	116	119	118	115	119
Expected(3)	127	124	128	118	120
Business Conditions					
One year ahead(3)	104	122	105	93	98
Five years ahead(3)	83	92	90	80	89
Buying Conditions					
Household Durables(3)	158	162	149	142	147
Homes(23)	164	146	144	120	139
Vehicles(25)	135	141	127	122	134
Cases	653	650	500	501	500

TABLE 2

CONSUMER SENTIMENT MEASURES

Question	Dec 1986	Sept 1987	Oct 1987	Nov 1987	Dec 1987
Current Personal Finances(4)					
Better	43%	42%	43%	42%	43%
Worse	27%	23%	25%	27%	24%
Expected Personal Finances(6)					
Better	36%	35%	37%	33%	32%
Worse	9%	11%	9%	15%	12%
Current Business Conditions(12)					
Better	40%	49%	49%	33%	36%
Worse	45%	34%	35%	50%	46%
One Year Business Outlook(15)					
Good Times	45%	51%	43%	38%	41%
Bad Times	41%	29%	38%	45%	43%
Five Year Business Outlook(16)					
Good Times	33%	37%	36%	31%	33%
Bad Times	50%	45%	46%	51%	44%
Unemployment Expectations(17)					
Lower	11%	13%	17%	10%	12%
Higher	42%	29%	29%	36%	34%
Interest Rate Expectations(18)					
Higher	41%	66%	67%	49%	52%
Lower	20%	7%	11%	22%	20%
Household Durables(21)					
Good Time to Buy	75%	75%	69%	66%	69%
Bad Time to Buy	17%	13%	20%	24%	22%
Homes(23)					
Good Time to Buy	80%	71%	70%	58%	68%
Bad Time to Buy	16%	25%	26%	38%	29%
Vehicles(25)					
Good Time to Buy	64%	66%	58%	57%	64%
Bad Time to Buy	29%	25%	31%	35%	30%
Cases	653	650	500	501	500

TABLE 3

LIKELIHOOD OF RECESSION AS A RESULT OF STOCK MARKET DEVELOPMENTS

	Nov. 1987	Dec. 1987
Do you think sharp declines in stock market prices are likely to lead to a recession?[a]		
Very likely	17%	16%
Somewhat likely	51	49
Not very likely	20	25
Not at all likely	8	7
Don't know, NA	4	3
Total	100%	100%
Cases	501	500

The question asked was:

[a] "Some people think that the sharp declines in stock market prices will lead to an economy-wide recession, while others do not. Do you think sharp declines in stock market prices are very likely to lead to a recession, somewhat likely, not very likely, or not at all likely to lead to a recession?"

1/12/88 U 7475-2 A

SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

DECEMBER 1987

The December 1987 survey is the 233rd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

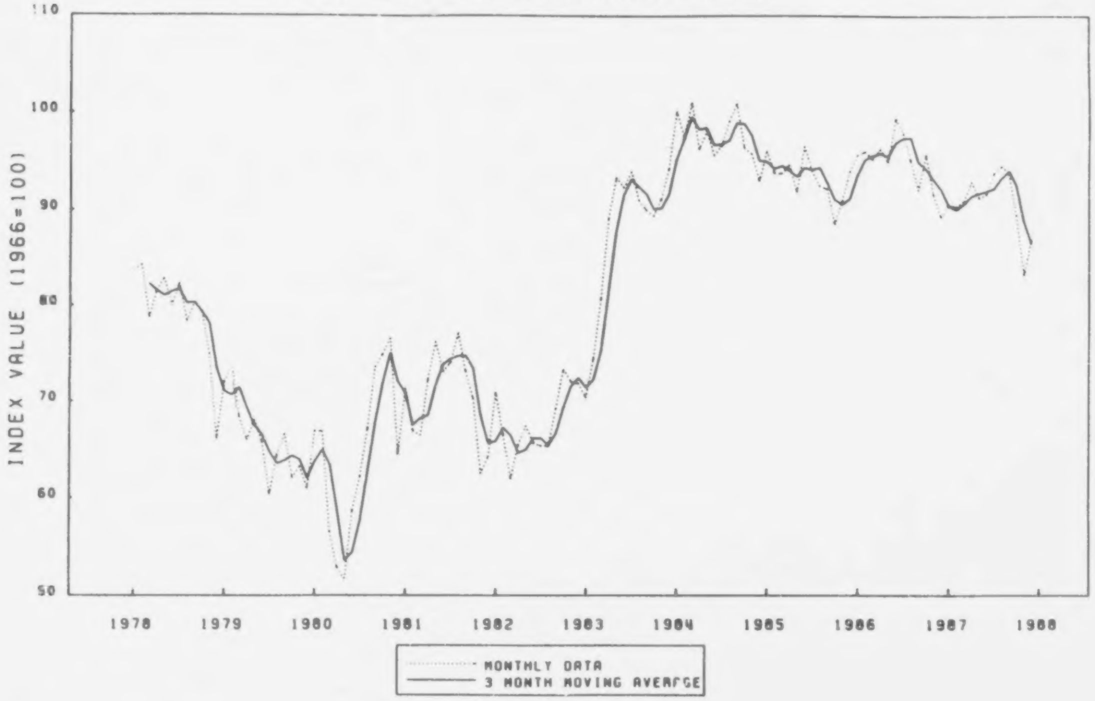


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

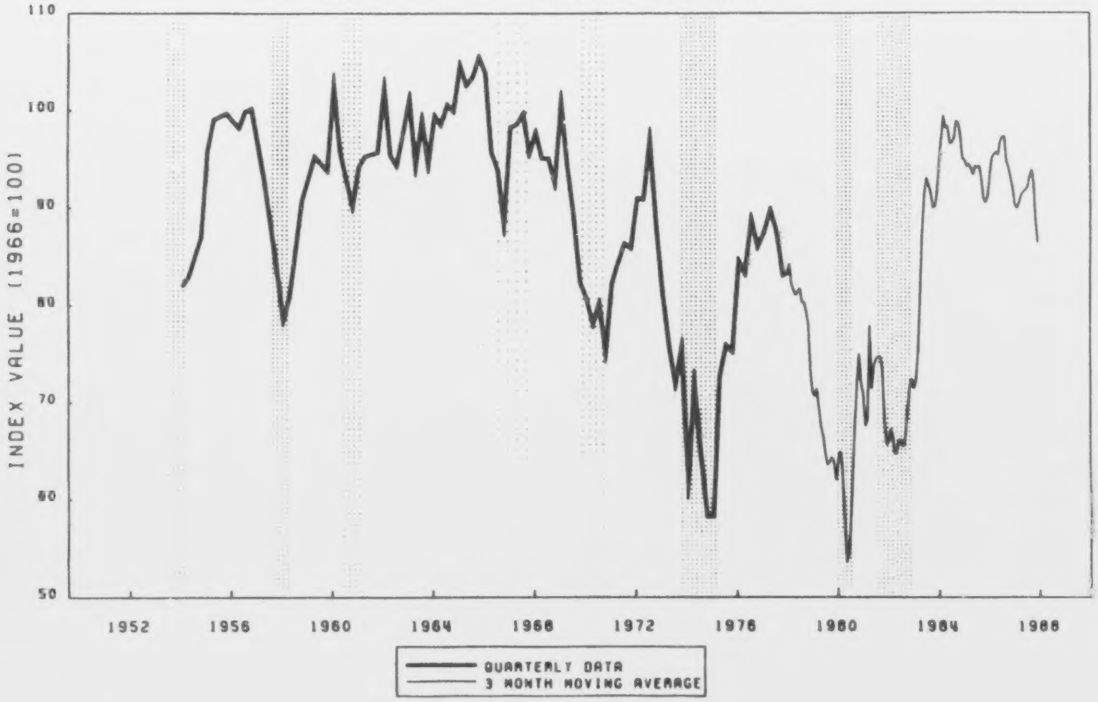


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
December	1984	92.9	101.5	101.7
January	1985	96.0	110.2	112.1
February	1985	93.7	113.8	113.8
March	1985	93.7	110.8	114.4
April	1985	94.6	108.9	114.9
May	1985	91.8	105.3	107.7
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	19[illegible]	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

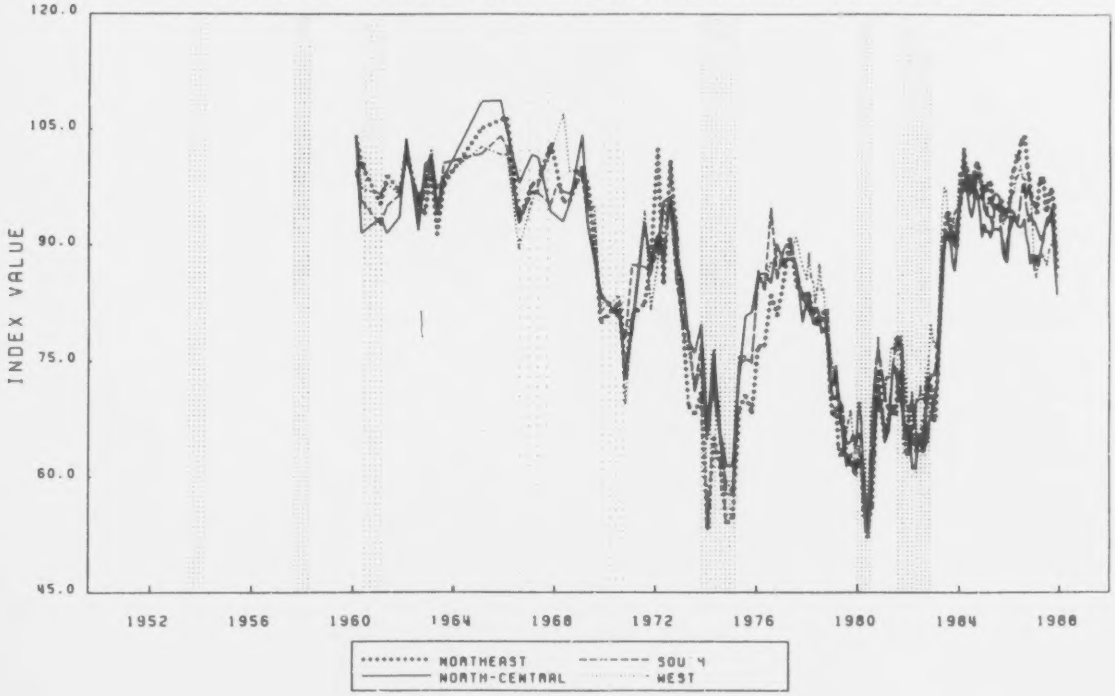


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

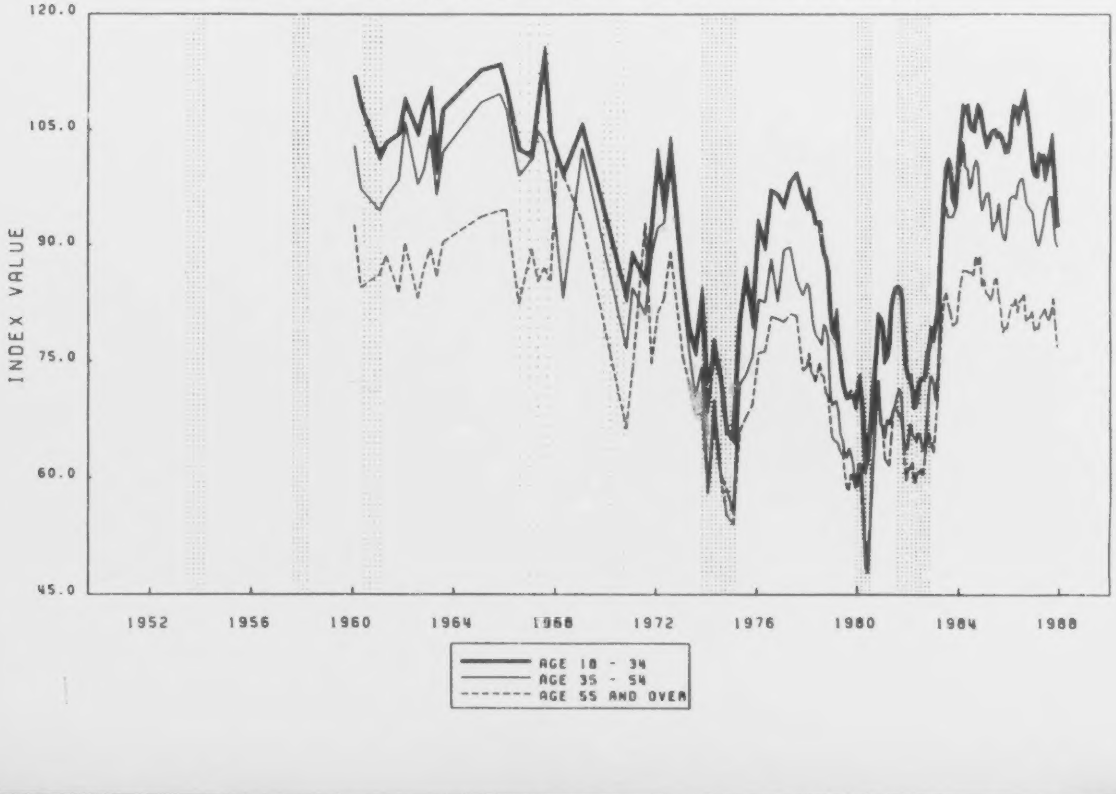


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

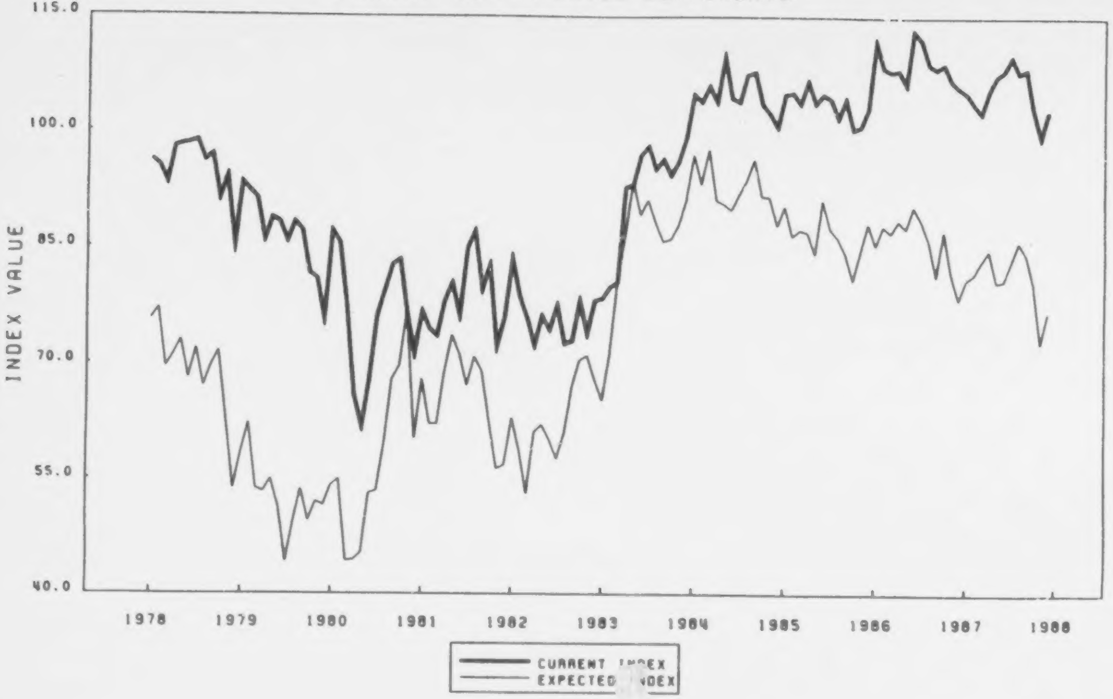


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

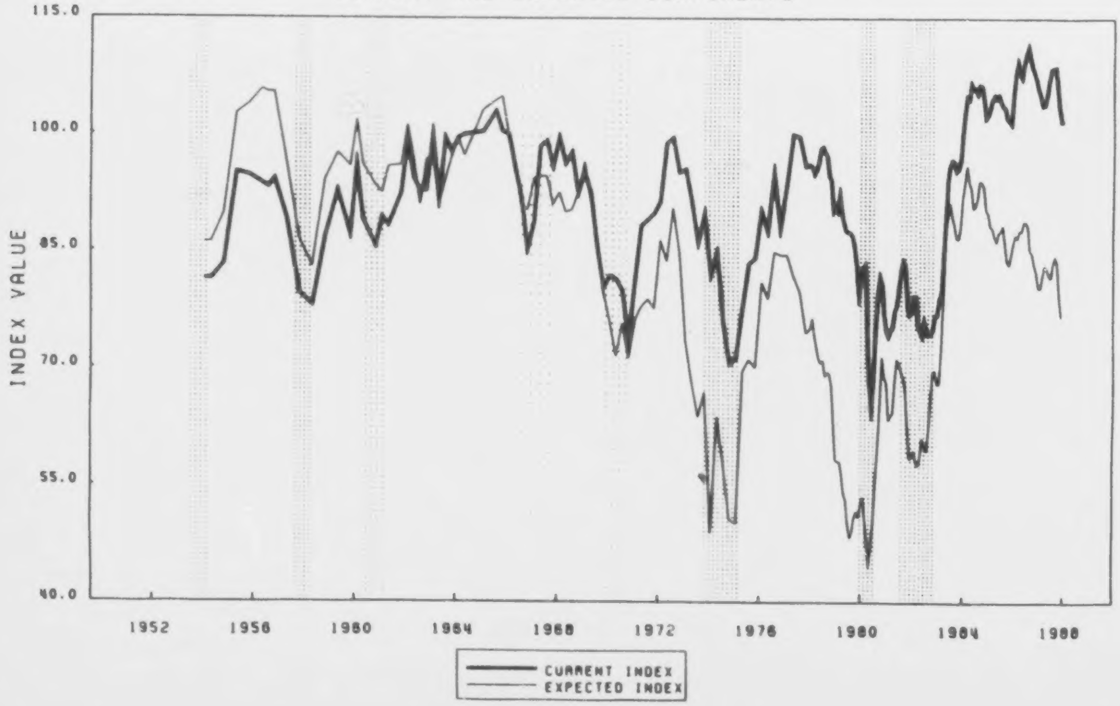


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

INDEX COMPONENTS +

	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

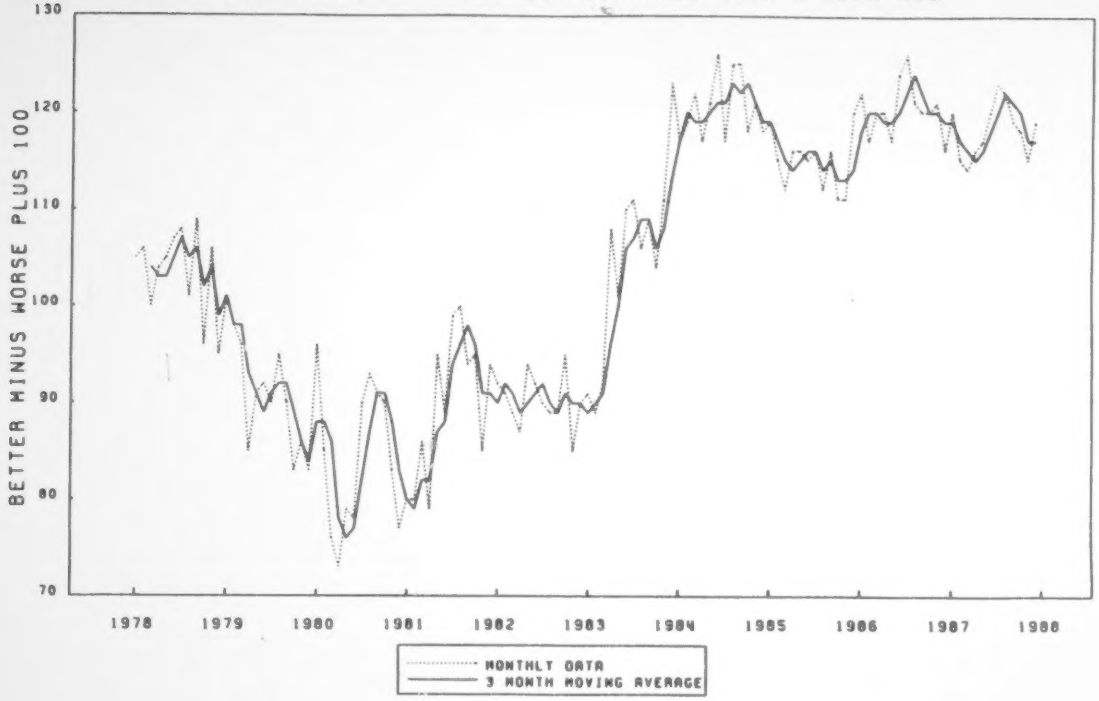


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

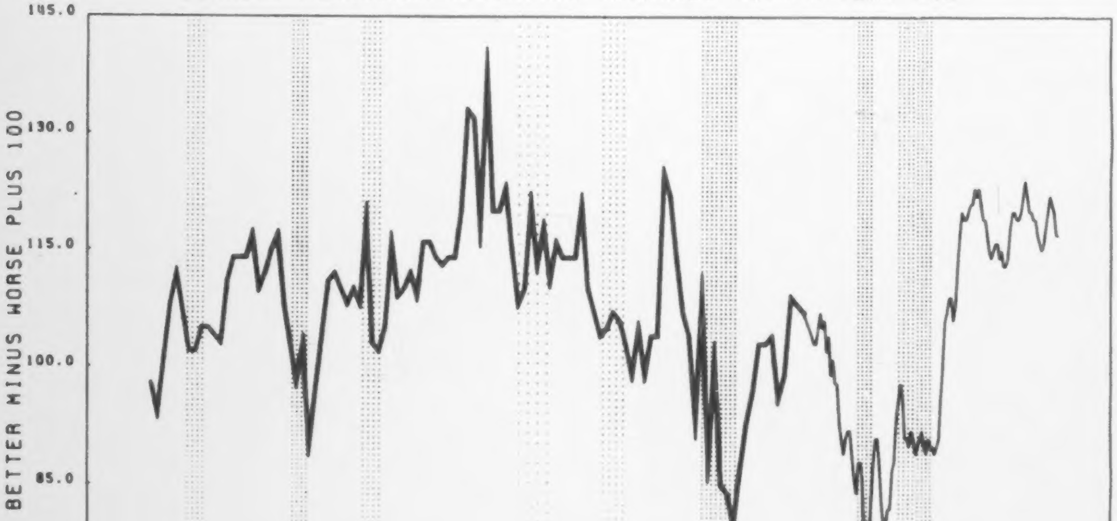


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
BETTER OFF	43%	45%	44%	41%	42%	43%	44%	45%	45%	42%	43%	42%	43%
SAME	30	29	27	32	32	31	32	32	32	34	32	31	33
WORSE OFF	27	25	29	27	26	26	24	22	23	23	25	27	24
DK,NA	*	1	*	*	*	*	*	1	*	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

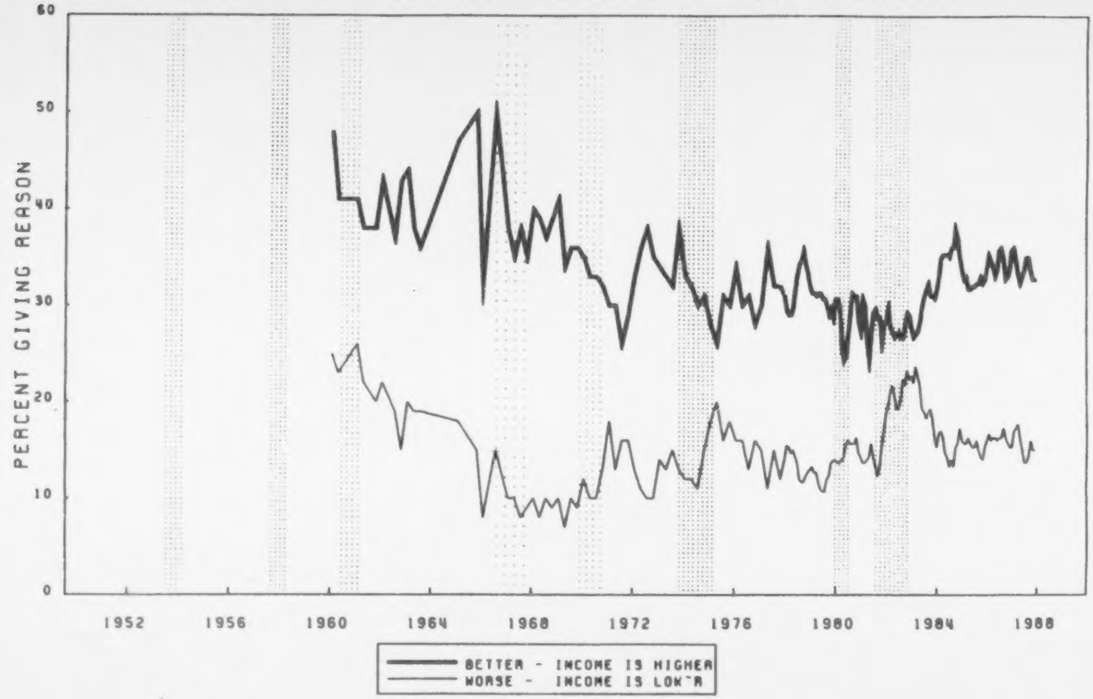


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

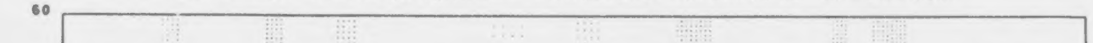


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
BETTER OFF THAN YEAR AGO:													
Income is higher	35%	38%	35%	31%	34%	32%	33%	36%	36%	33%	32%	33%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	15	20	17	16	15	14	12	15	16	17	12	16
Higher prices	12	7	12	12	11	11	12	10	9	12	8	12	10

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

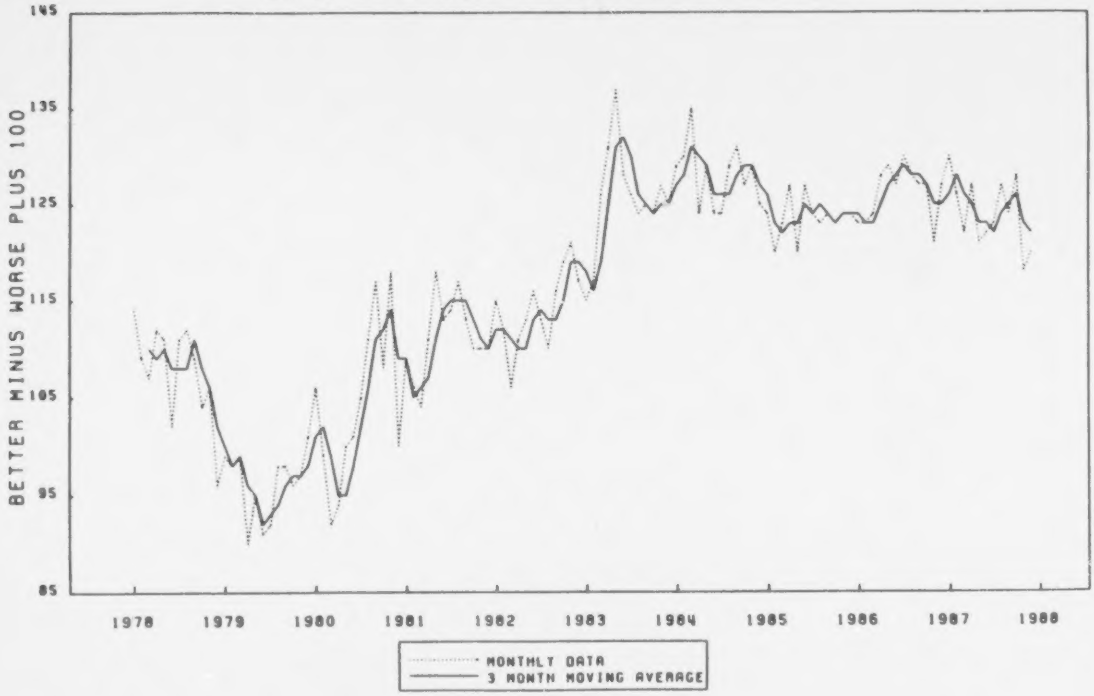


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

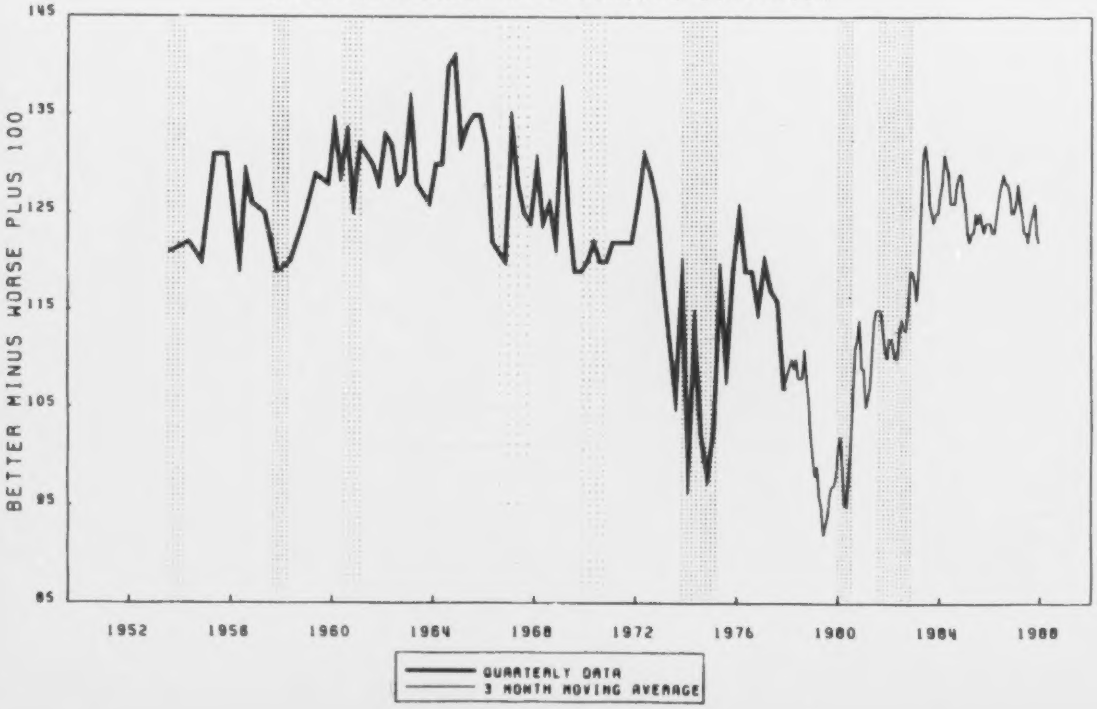


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
BETTER OFF	36%	39%	38%	33%	37%	32%	33%	34%	39%	35%	37%	33%	32%
SAME	52	48	48	53	49	54	53	52	46	49	51	49	51
WORSE OFF	9	9	12	11	10	11	11	11	12	11	9	15	12
DK,NA	3	4	2	3	4	3	3	3	3	5	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

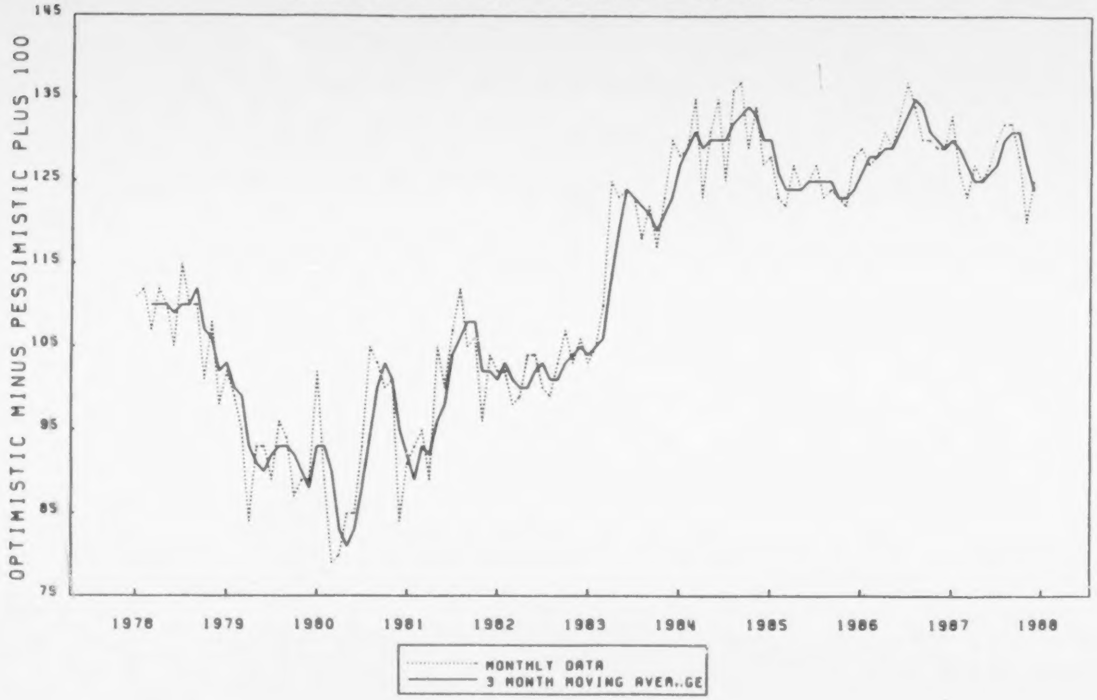


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

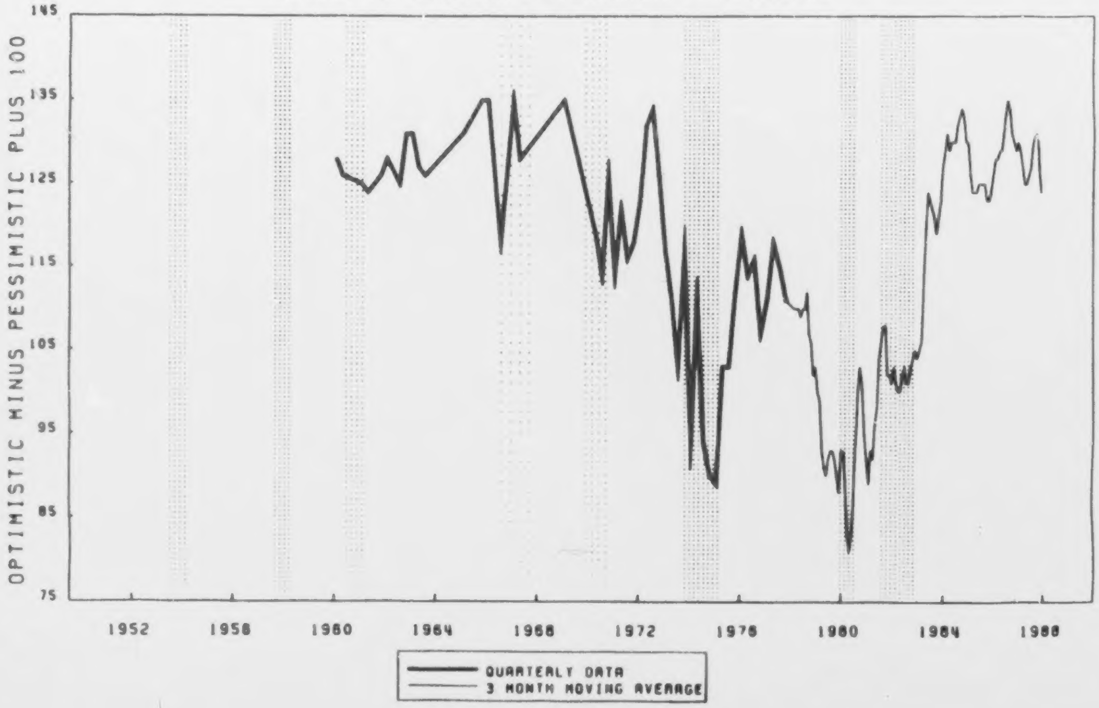


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	18%	22%	22%	19%	19%	17%	18%	19%	23%	18%	23%	19%	17%
Intermittant increase (b)	29	28	27	25	28	28	31	29	29	31	24	25	27
Remain unchanged (c)	19	17	15	22	17	20	17	20	16	19	21	18	19
Intermittant decline (d)	14	14	17	16	17	16	17	14	16	12	15	18	17
Continuous decline (e)	4	3	6	5	3	4	5	4	4	5	4	6	2
Mixed change (f)	13	12	11	10	12	12	8	10	9	10	10	11	13
DK,NA	3	4	2	3	4	3	4	4	3	5	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

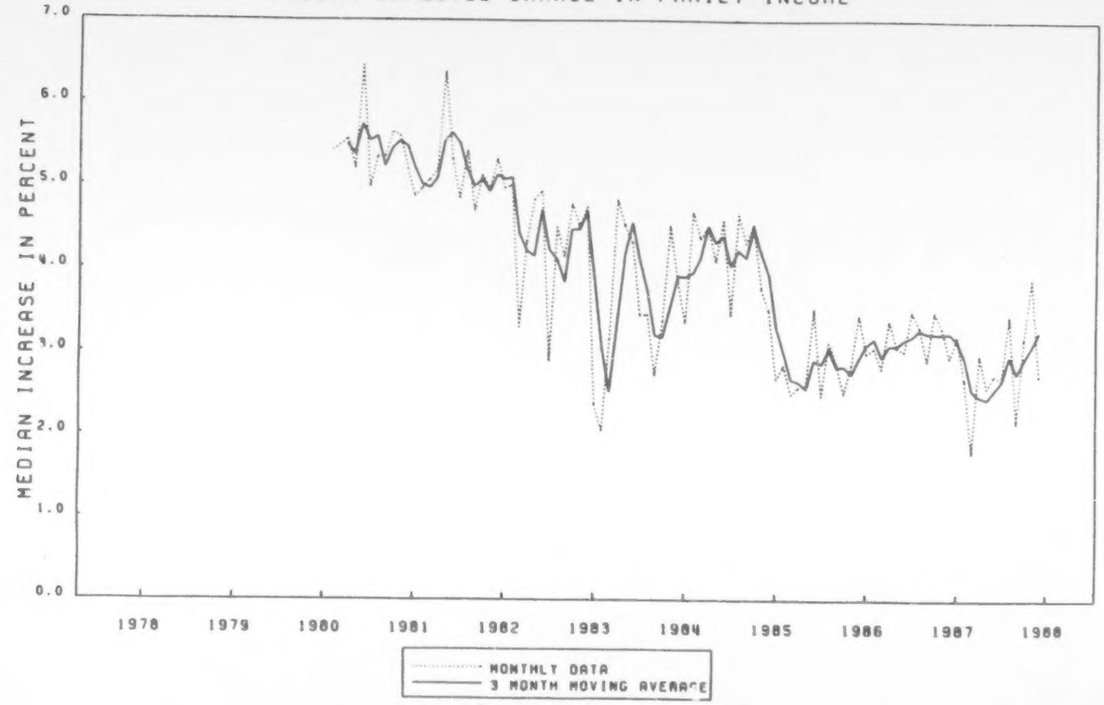


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

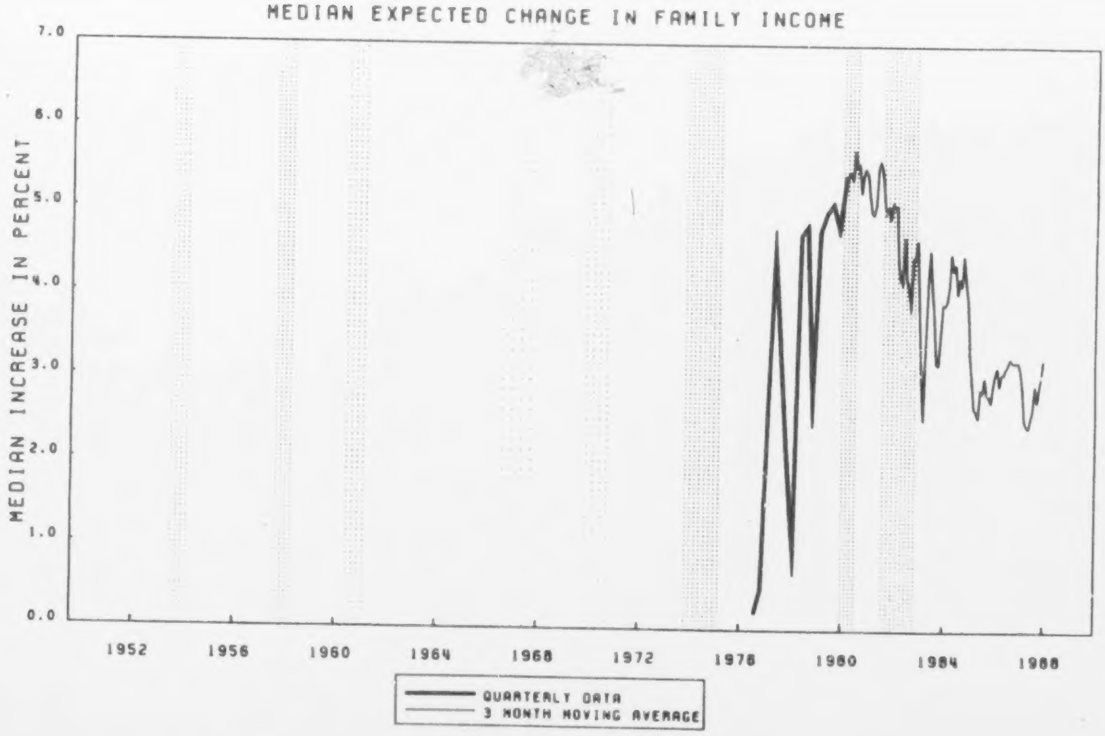


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
EXPECT INCREASE:													
1-4%	18%	16%	15%	17%	15%	18%	21%	18%	17%	17%	15%	18%	19%
5%	12	11	12	11	9	9	9	9	12	13	10	11	10
6-9%	8	8	5	7	8	8	10	7	6	6	9	8	8
10-24%	14	17	15	11	19	14	13	16	17	10	15	18	14
25% or more	6	6	6	5	5	6	5	6	8	6	5	7	4
DK how much up	4	4	6	6	4	3	4	4	4	5	6	2	3
EXPECT SAME	26	25	27	28	27	26	26	27	23	30	25	21	23
EXPECT DOWN	12	12	14	15	13	15	12	13	11	11	13	13	19
DK,NA	*	1	*	*	*	1	*	*	2	2	2	2	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 8 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

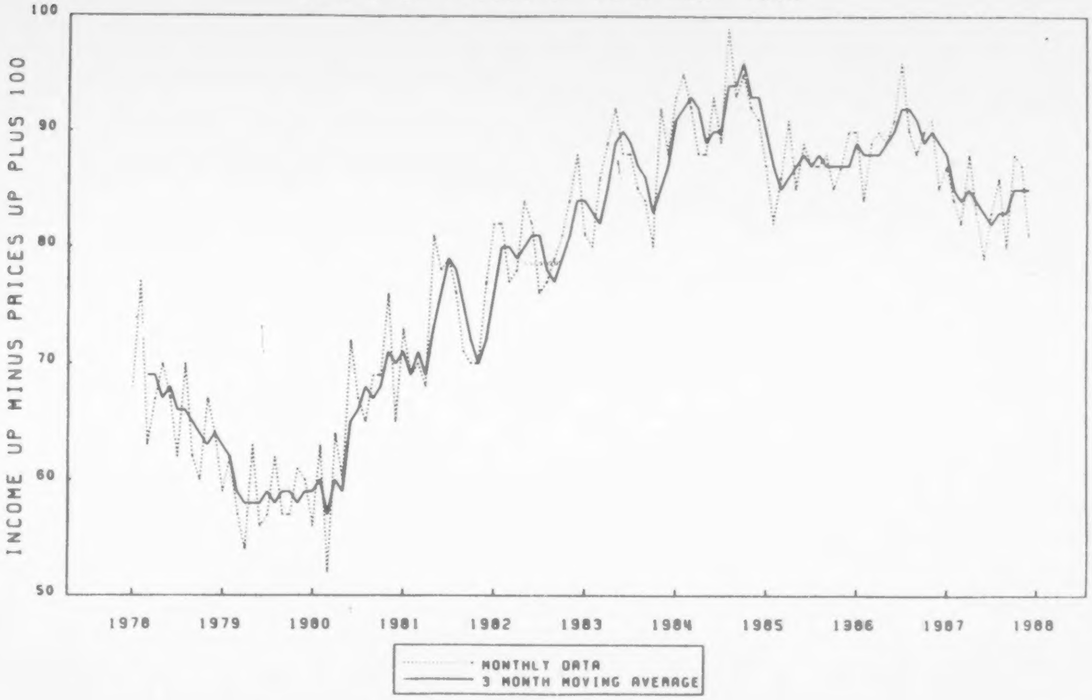


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

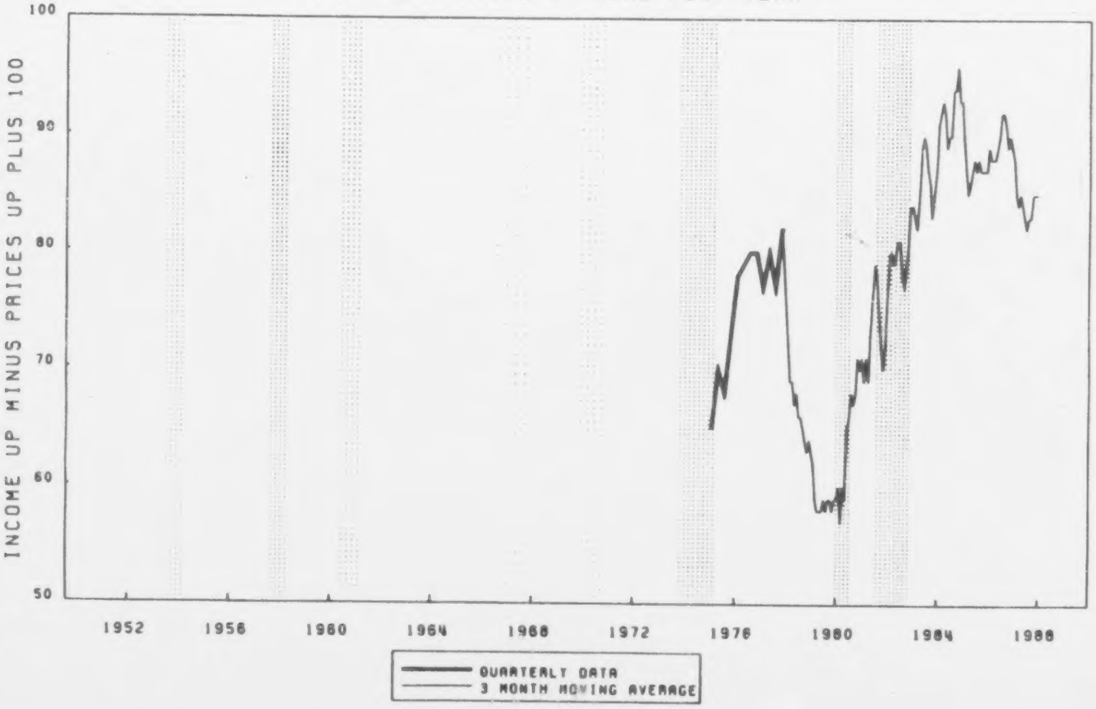


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
INCOME UP MORE	19%	22%	20%	18%	21%	17%	17%	17%	21%	18%	20%	22%	19%
INCOME UP SAME	45	41	42	44	44	48	44	47	42	42	45	43	41
PRICES UP MORE	34	35	36	36	33	34	38	34	35	38	32	35	38
DK,NA	2	2	2	2	2	1	1	2	2	2	3	*	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

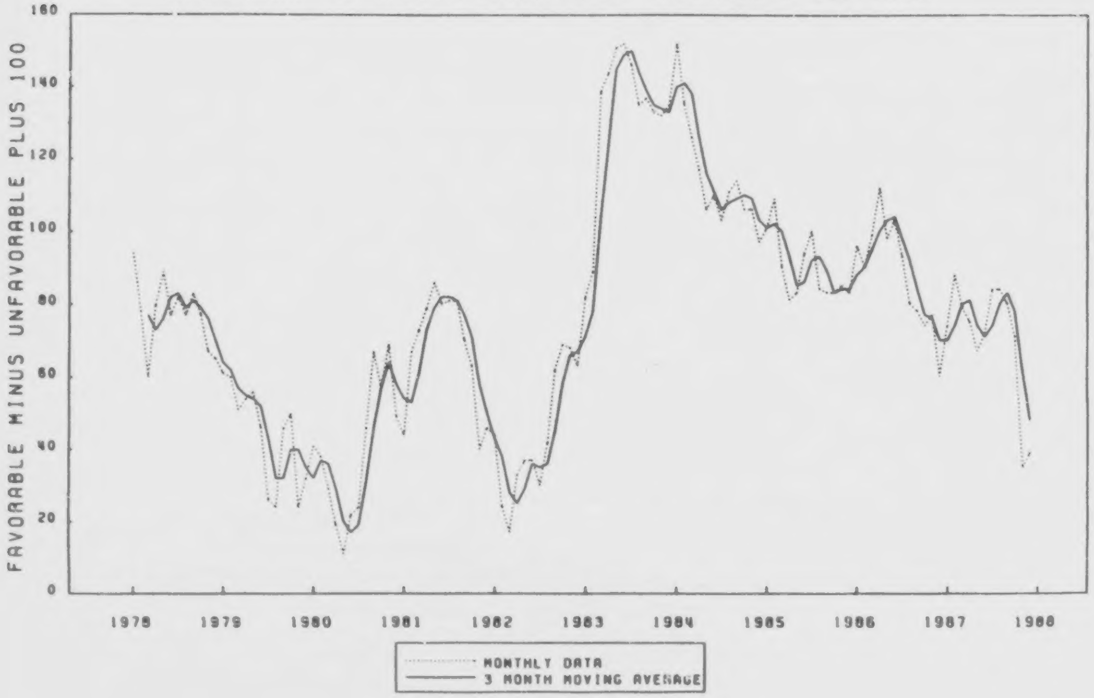


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

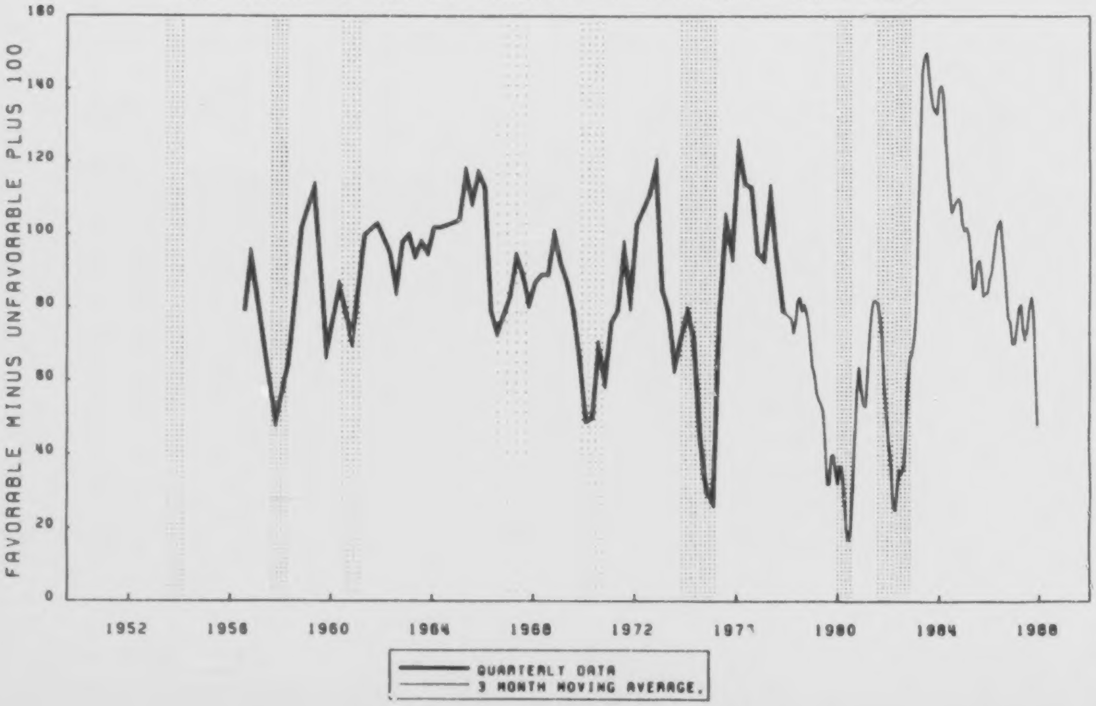


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
FAVORABLE NEWS	22%	26%	36%	27%	27%	26%	29%	29%	32%	24%	25%	18%	18%
UNFAVORABLE NEWS	62	52	48	48	52	59	57	45	48	44	54	83	79
NO MENTIONS	44	44	45	49	46	44	42	50	47	53	47	32	36

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

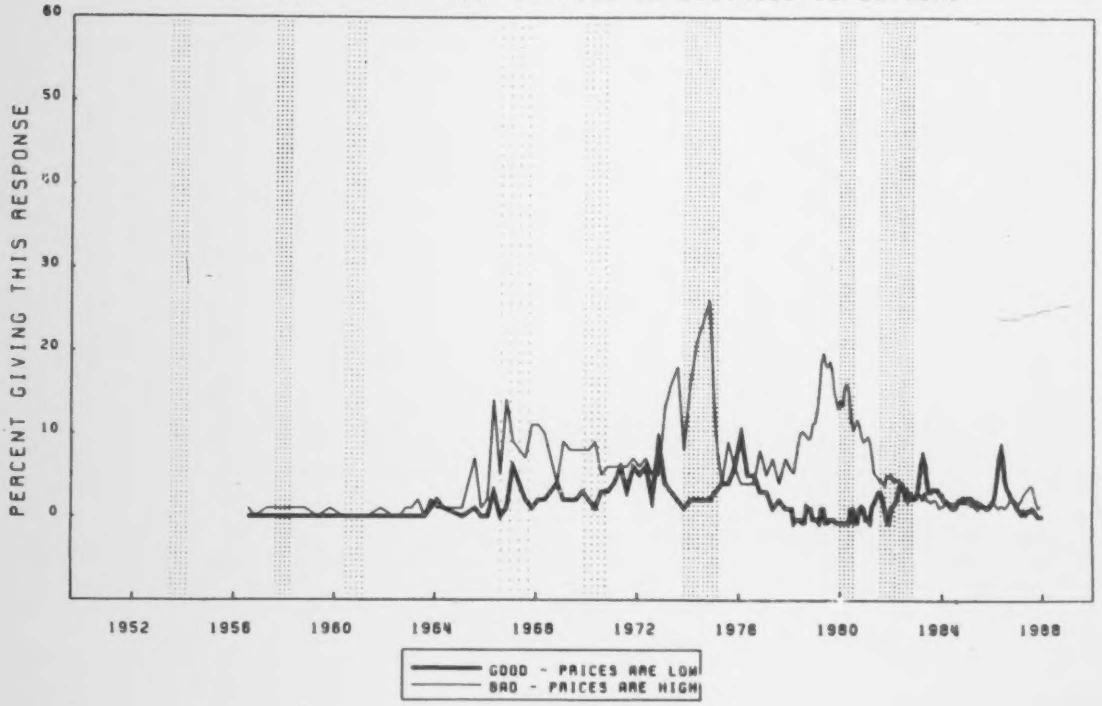


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

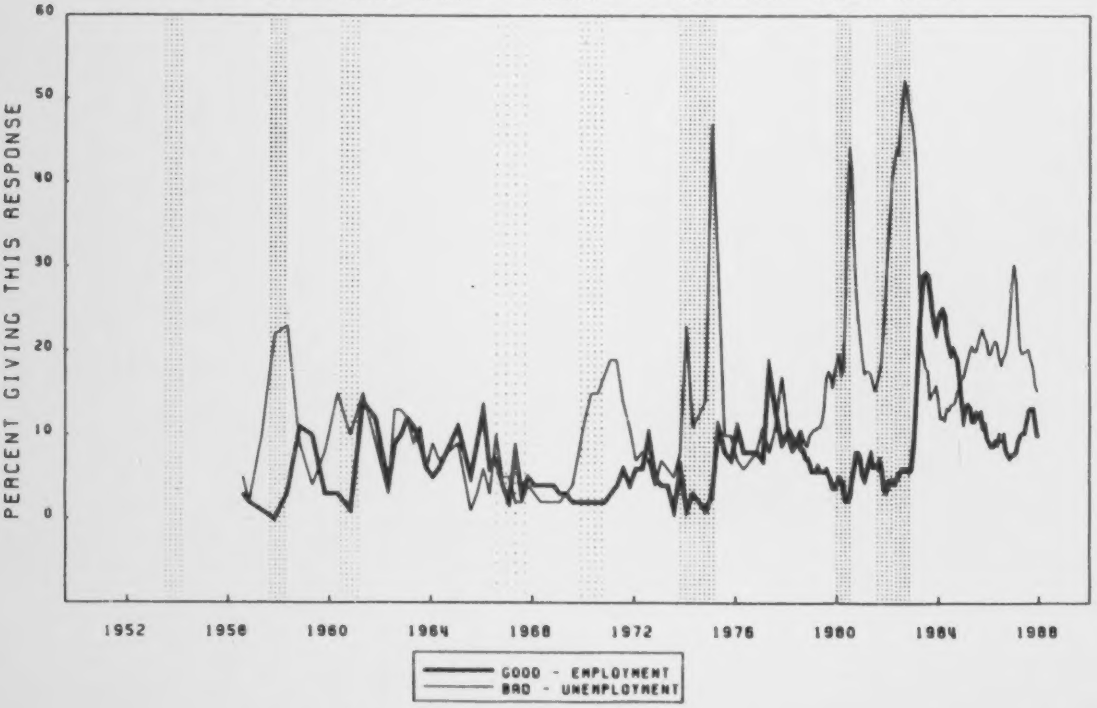


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
FAVORABLE NEWS:													
Government; elections	1%	2%	2%	2%	3%	1%	2%	2%	3%	1%	*	*	1%
Employment	7	7	10	11	9	11	11	13	15	12	13	10	7
Higher consumer demand	2	3	3	1	1	1	2	*	1	*	1	1	1
Lower prices	1	*	1	*	1	*	1	1	1	*	*	*	*
Easier credit	5	5	6	4	2	3	3	2	1	1	1	1	2
Stock market	1	4	6	3	3	1	2	2	3	2	3	2	1
Trade deficit	*	1	3	1	3	2	2	2	1	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	8	9	5	7	7	7	7	5	5	3	5	6	6
Unemployment	33	29	23	20	18	21	21	18	22	17	16	15	15
Lower consumer demand	4	2	3	2	2	2	3	3	2	1	3	5	4
Higher prices	2	1	2	3	3	3	4	4	3	1	1	1	2
Tighter credit	1	1	1	1	4	6	7	4	2	5	6	5	3
Stock market	3	1	1	2	3	1	3	2	2	2	11	38	32
Trade deficit	2	2	3	4	3	7	7	4	6	3	4	4	7

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

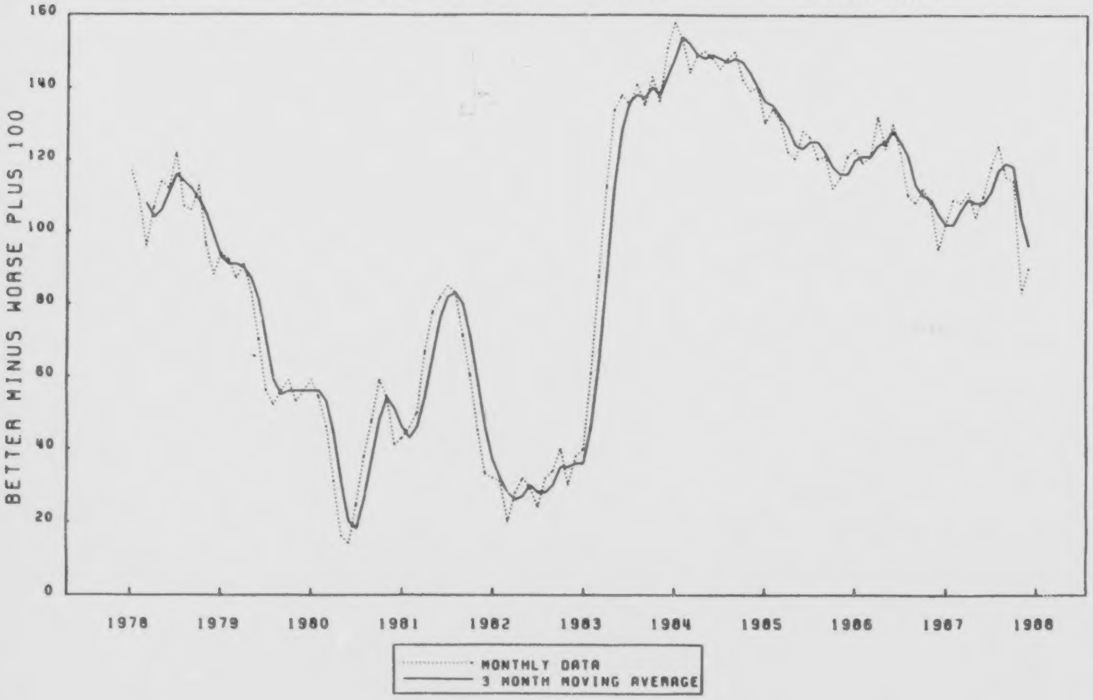


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

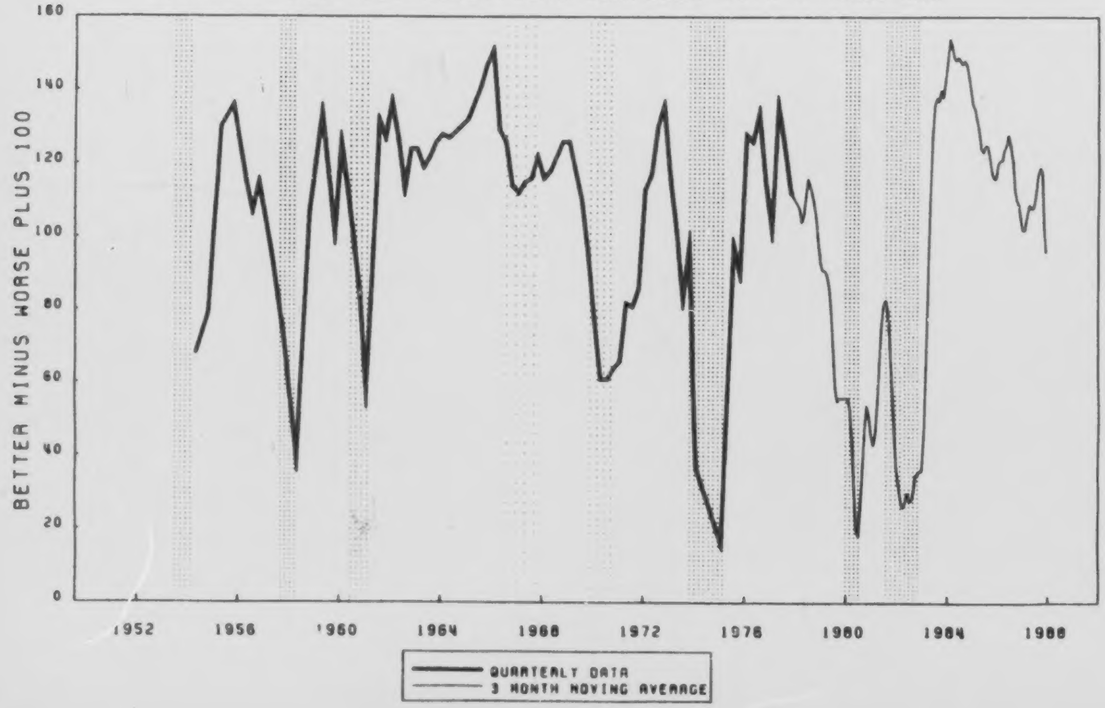


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
BETTER NOW	40%	43%	47%	45%	46%	43%	46%	50%	54%	49%	49%	33%	36%
SAME	13	14	14	17	17	16	16	16	14	14	14	16	15
WORSE NOW	45	41	38	37	35	39	36	32	30	34	35	50	46
DK,NA	2	2	1	1	2	2	2	2	2	3	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

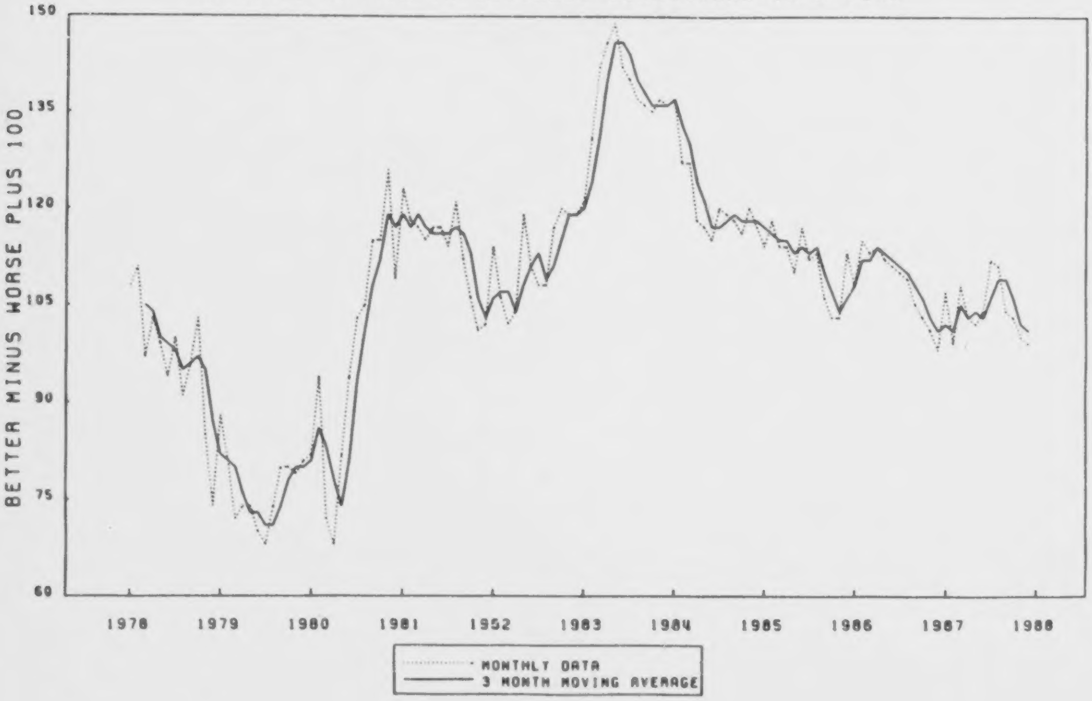


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

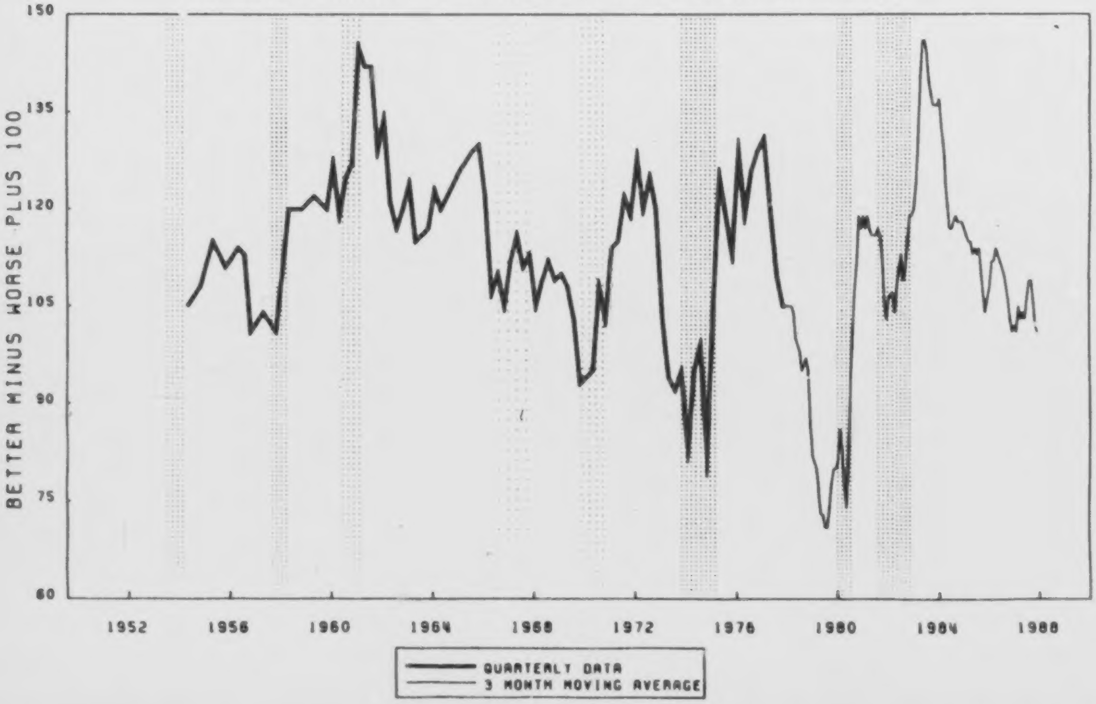


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
BETTER	20%	24%	22%	22%	21%	22%	23%	26%	25%	21%	22%	23%	22%
SAME	56	58	54	61	60	57	57	56	57	58	57	52	53
WORSE	22	17	23	14	18	20	19	14	14	17	19	23	23
DK,NA	2	1	1	3	1	1	1	4	4	4	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

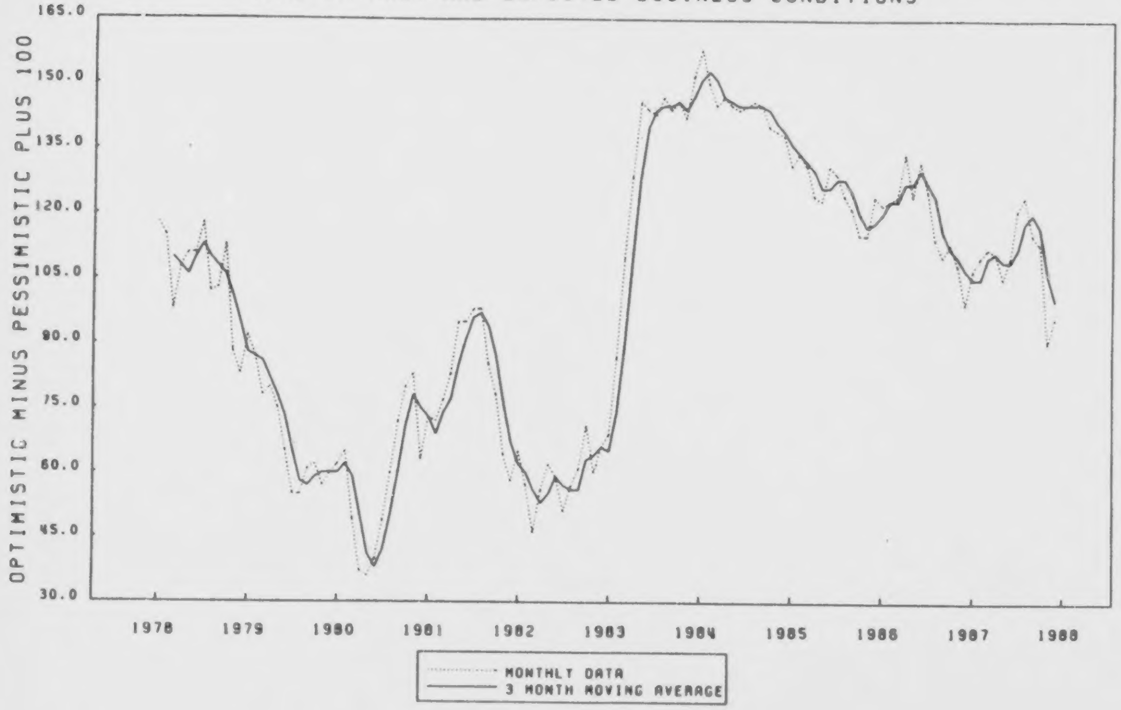


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

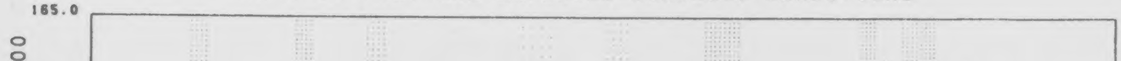


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
TREND:													
Continuous increase (a)	12%	15%	14%	13%	13%	12%	14%	17%	19%	14%	16%	10%	10%
Intermittant increase (b)	27	27	32	32	30	28	28	33	33	32	29	22	24
Remain unchanged (c)	10	10	7	11	11	10	11	9	9	9	10	10	10
Intermittant decline (d)	23	24	21	23	22	24	21	19	20	21	21	26	22
Continuous decline (e)	17	11	15	10	10	11	11	10	8	10	11	16	16
Mixed change (f)	7	10	9	7	10	12	12	7	6	9	10	14	13
DK,NA	4	3	2	4	4	3	3	5	5	5	3	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

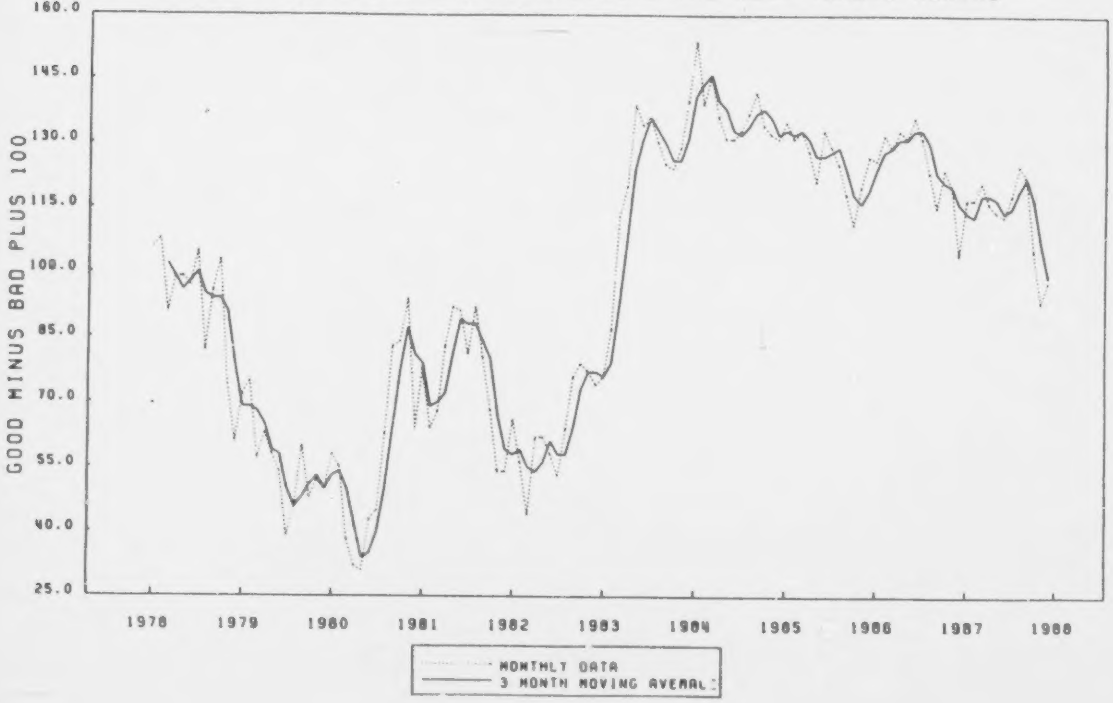


CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

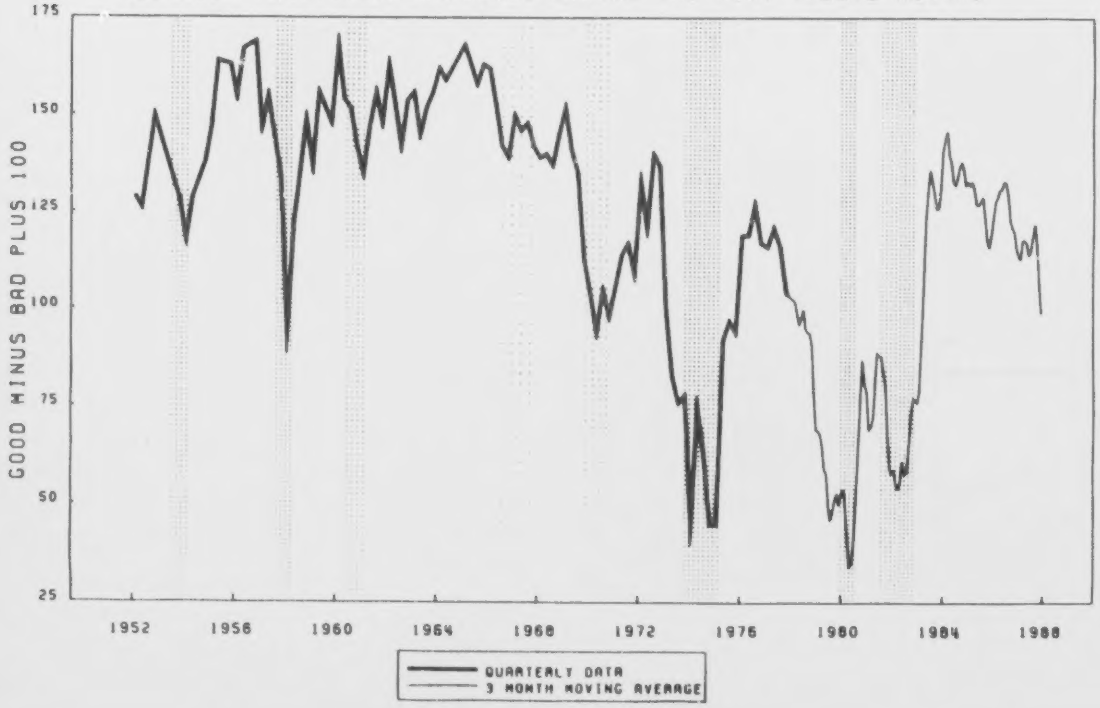


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIMES	45%	53%	53%	55%	51%	51%	50%	51%	55%	51%	43%	38%	41%
UNCERTAIN; GOOD & BAD	2	3	1	2	2	1	2	2	3	5	3	2	4
BAD TIMES	41	36	36	34	35	37	37	33	30	29	38	45	43
DON'T KNOW	5	4	5	5	8	5	5	7	7	7	7	8	6
NOT ASCERTAINED	7	4	5	4	4	6	6	7	5	8	9	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

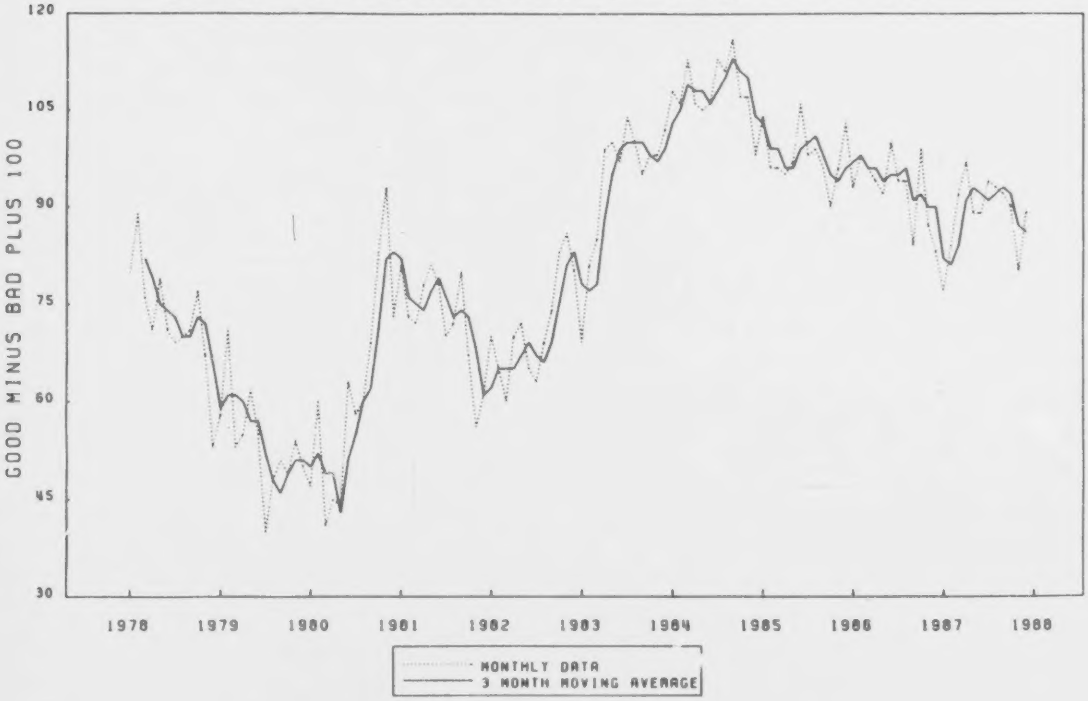


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

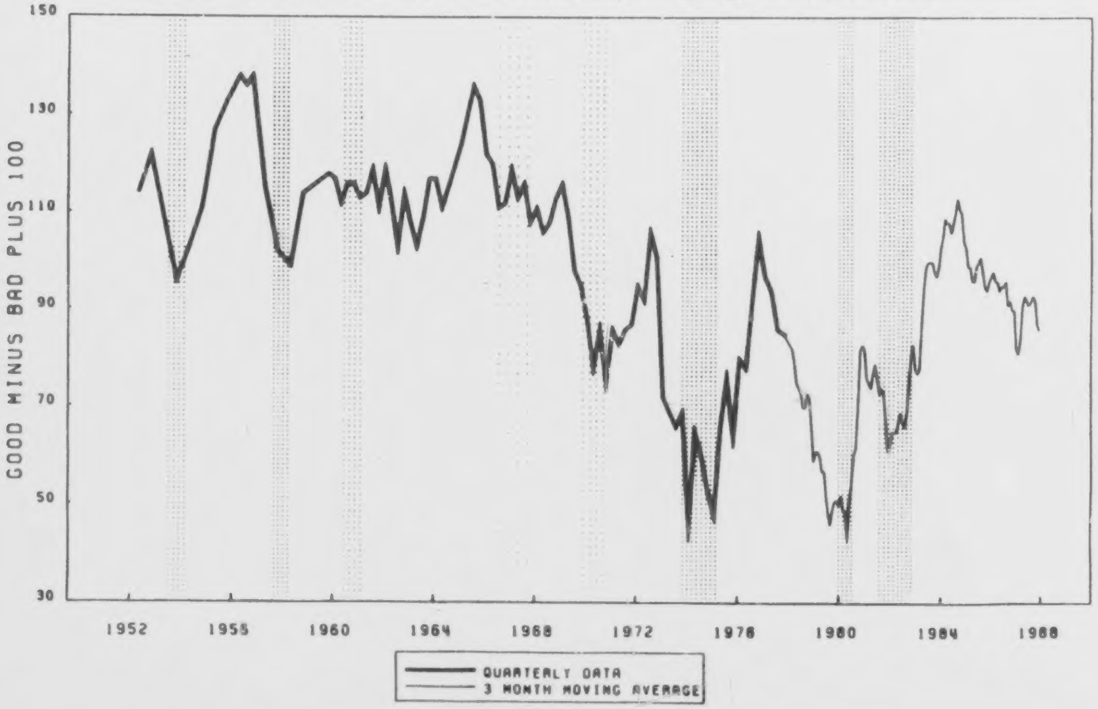


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIMES	33%	30%	34%	39%	41%	36%	37%	36%	36%	37%	36%	31%	33%
UNCERTAIN; GOOD & BAD	13	13	12	10	9	13	9	15	16	13	12	13	16
BAD TIMES	50	53	50	47	44	47	48	42	43	45	46	51	44
NOT ASCERTAINED	4	4	4	4	6	4	6	7	5	5	6	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

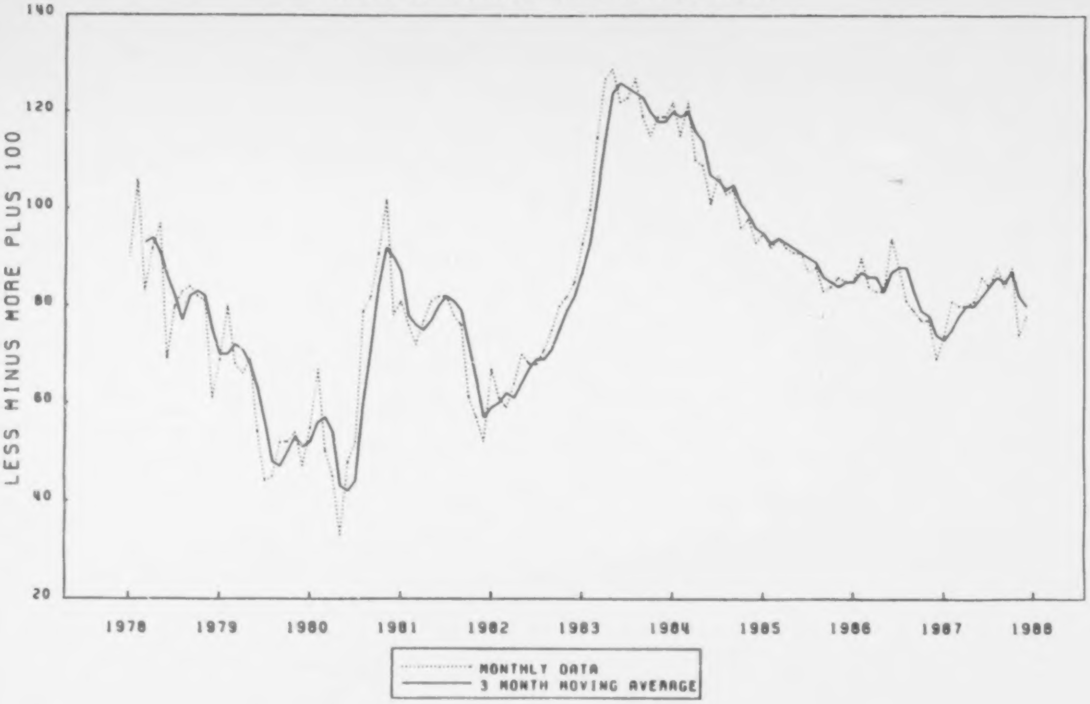


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

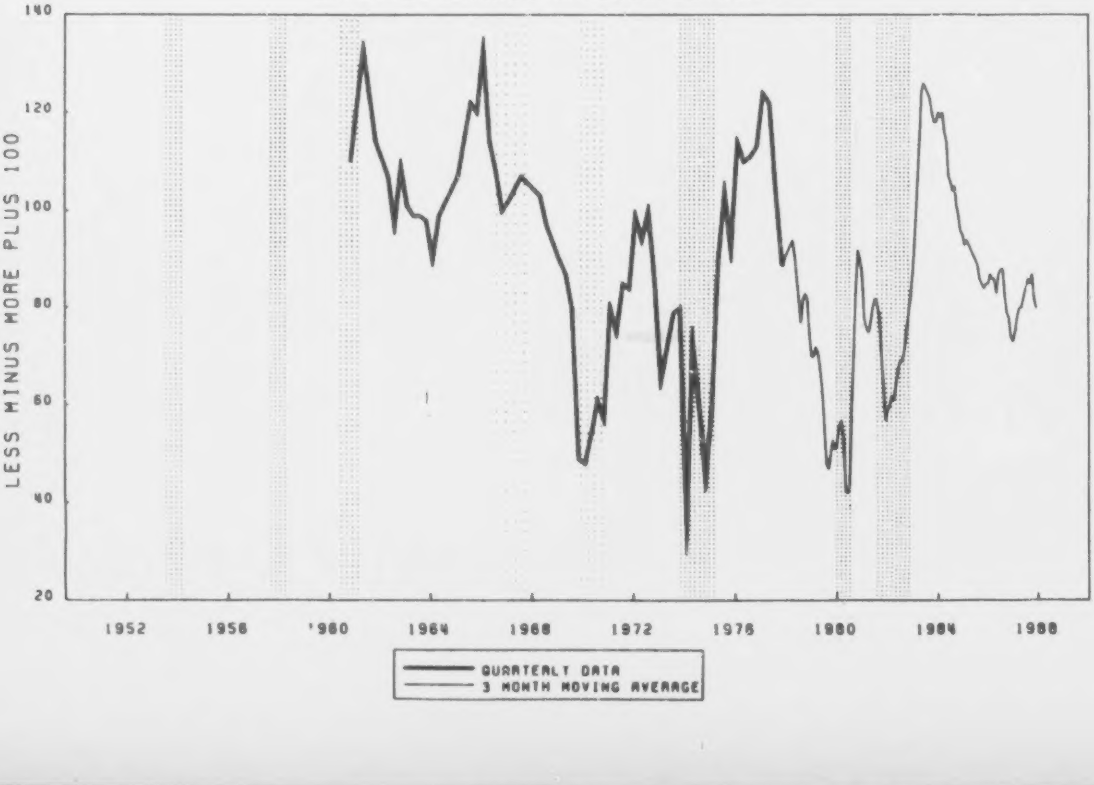


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
LESS	11%	12%	14%	15%	13%	13%	16%	14%	15%	13%	17%	10%	12%
SAME	46	49	52	48	52	53	52	55	56	57	52	53	51
MORE	42	38	33	35	33	32	30	30	27	29	29	36	34
DK,NA	1	1	1	2	2	2	2	1	2	1	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

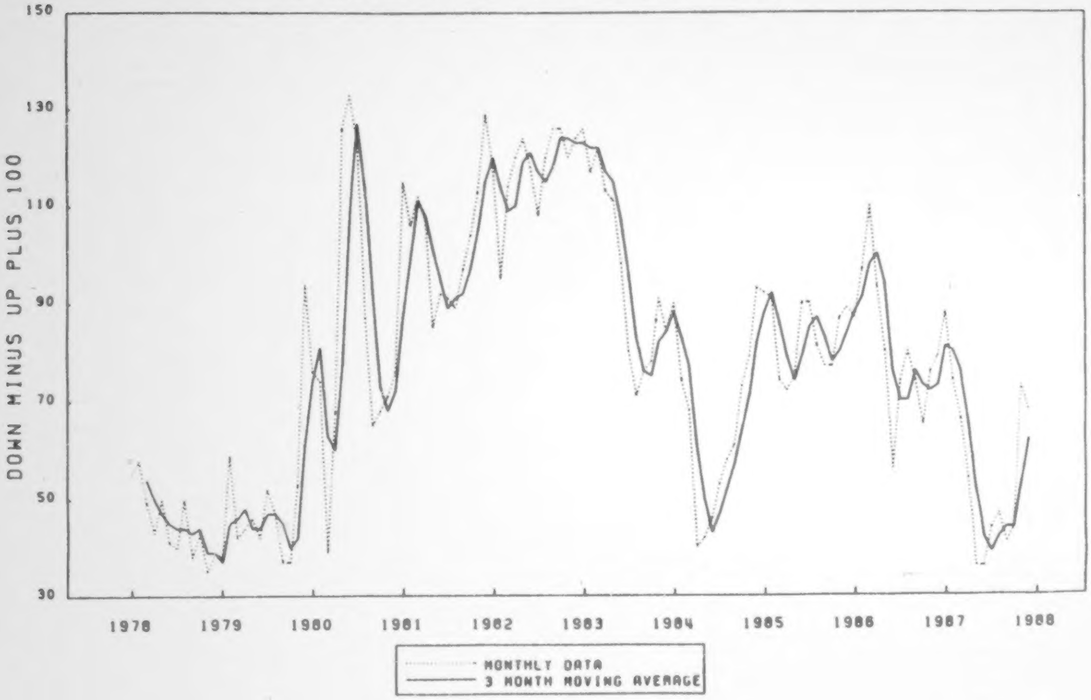


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

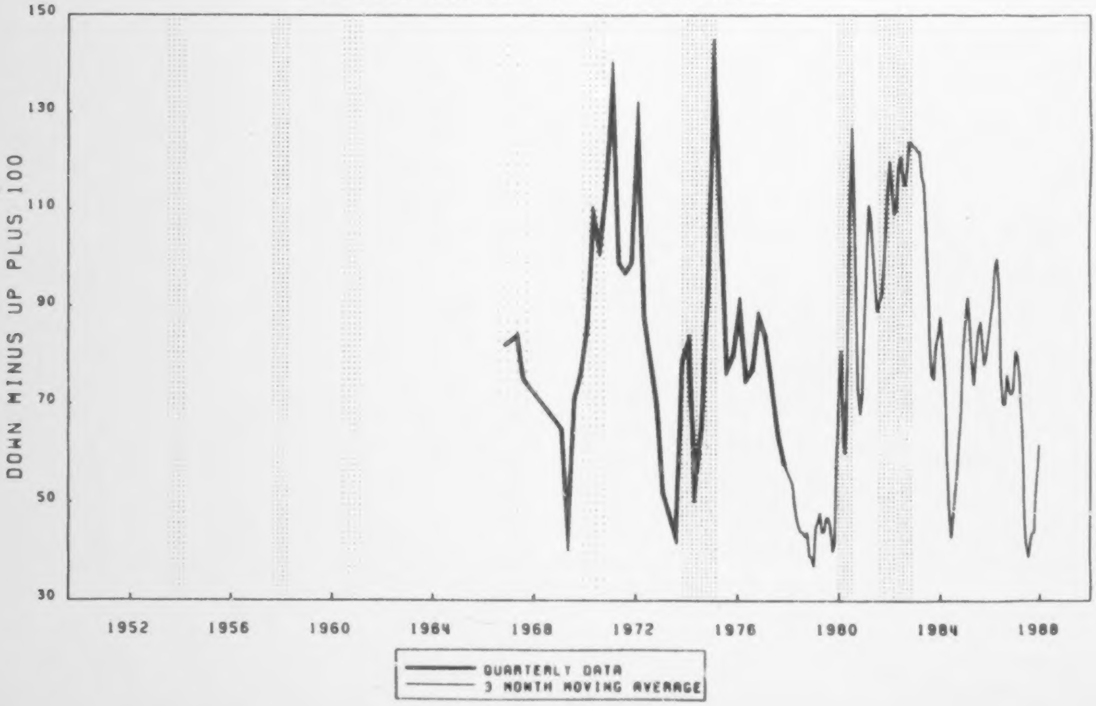


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GO UP	41%	37%	43%	49%	57%	71%	69%	64%	62%	66%	67%	49%	52%
STAY THE SAME	37	35	38	33	29	21	24	26	27	24	20	26	26
GO DOWN	20	25	17	15	11	7	5	8	9	7	11	22	20
DK,NA	2	3	2	3	3	1	2	2	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

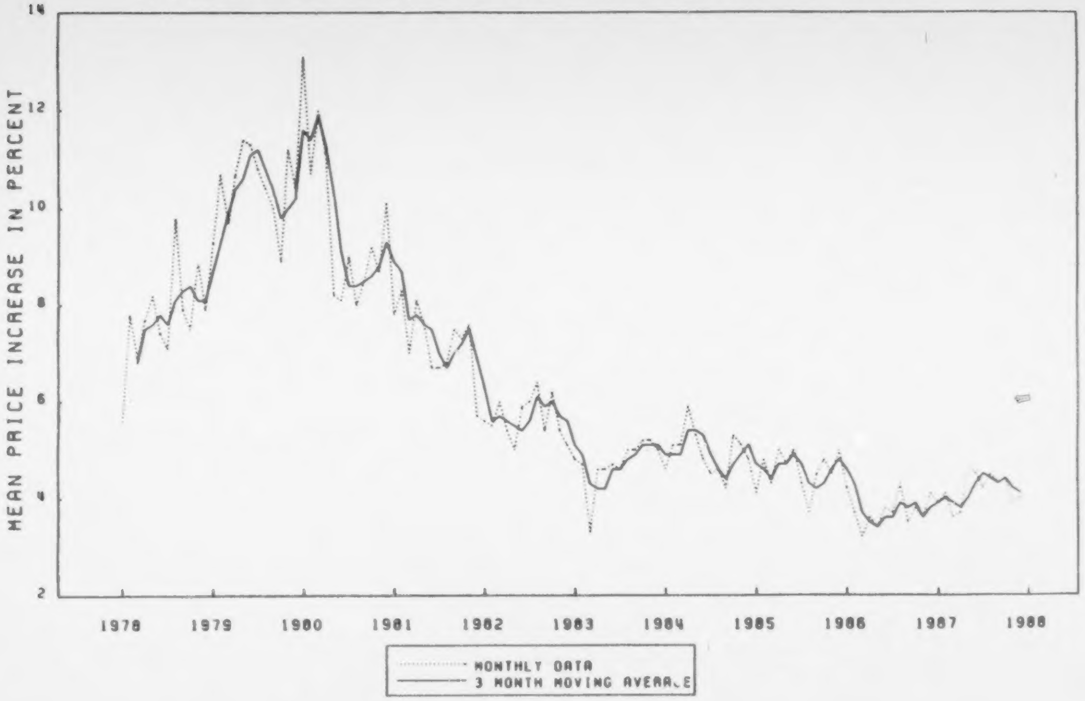


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

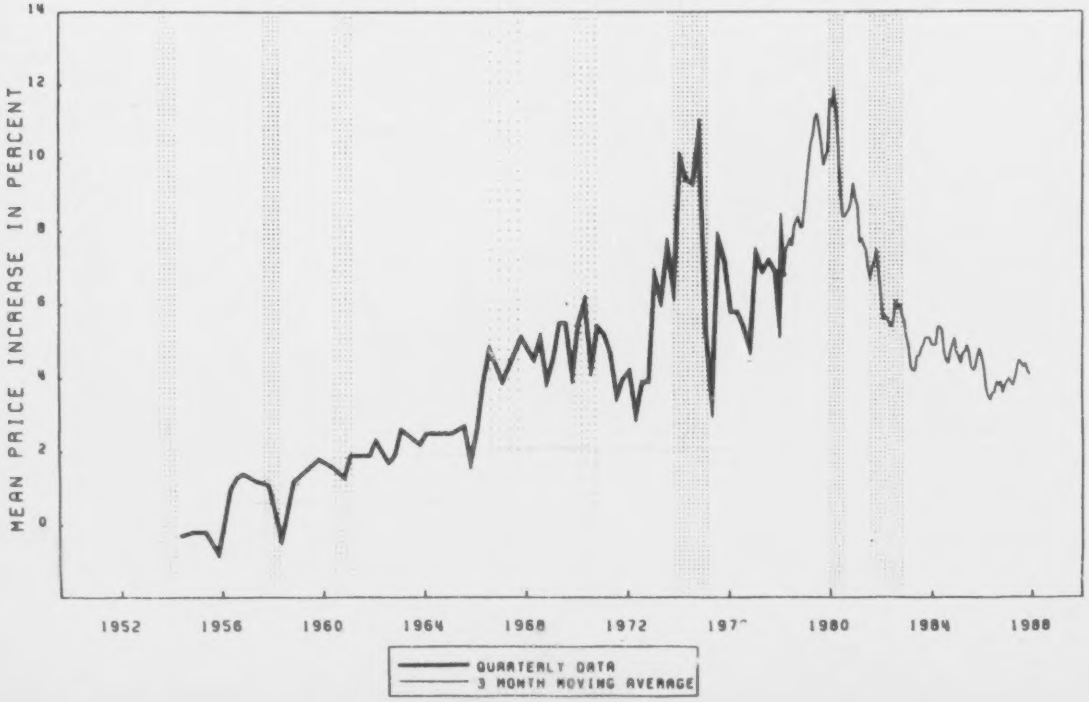


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
SAME OR DOWN	20%	20%	21%	21%	19%	15%	14%	17%	13%	17%	15%	20%	21%
WILL GO UP BY:													
1-2%	18	18	17	19	19	18	18	20	20	20	18	16	19
3-4%	23	24	21	21	23	23	25	23	25	24	23	22	21
5%	17	14	18	18	16	18	17	16	17	16	20	20	15
6-9%	7	6	5	6	8	10	7	7	8	6	7	8	8
10-14%	6	7	9	5	7	7	8	9	6	7	8	5	8
15% or more	4	4	4	3	2	4	4	3	4	3	3	4	3
DK how much up	4	6	5	6	6	4	6	4	6	5	5	4	4
DK,NA	1	1	*	1	*	1	1	1	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.1	3.9	4.1	3.6	3.7	4.7	4.5	4.2	4.5	4.3	4.4	3.9	4.0
VARIANCE	32	25	26	18	21	36	27	28	32	41	28	25	26
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

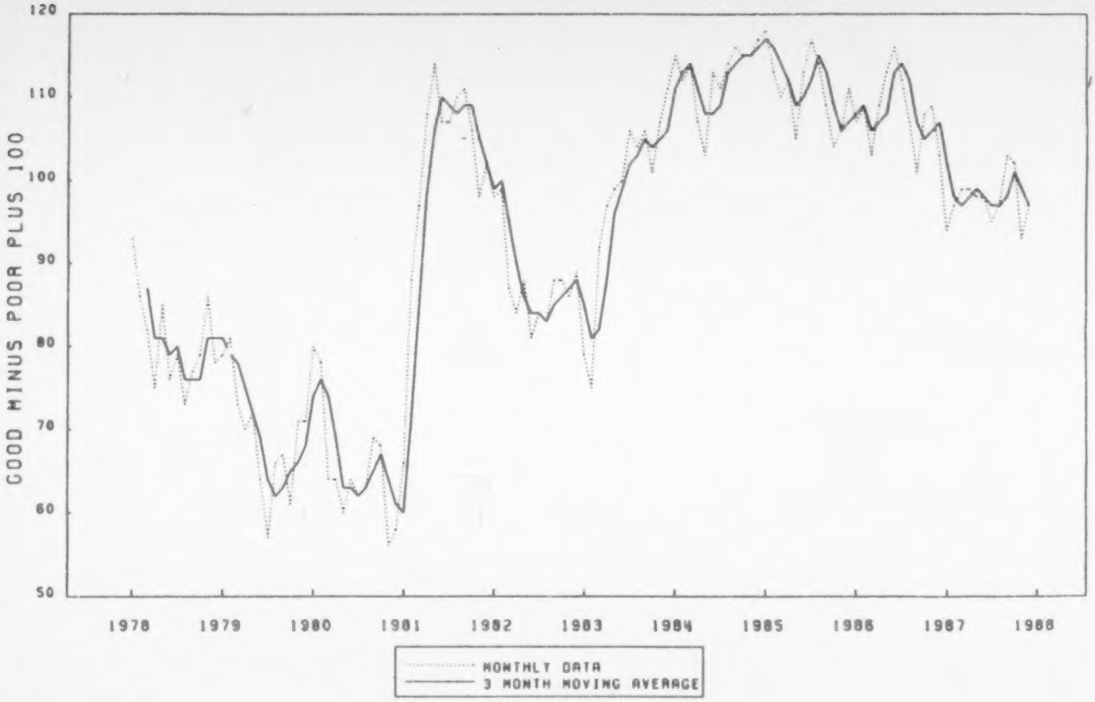


CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

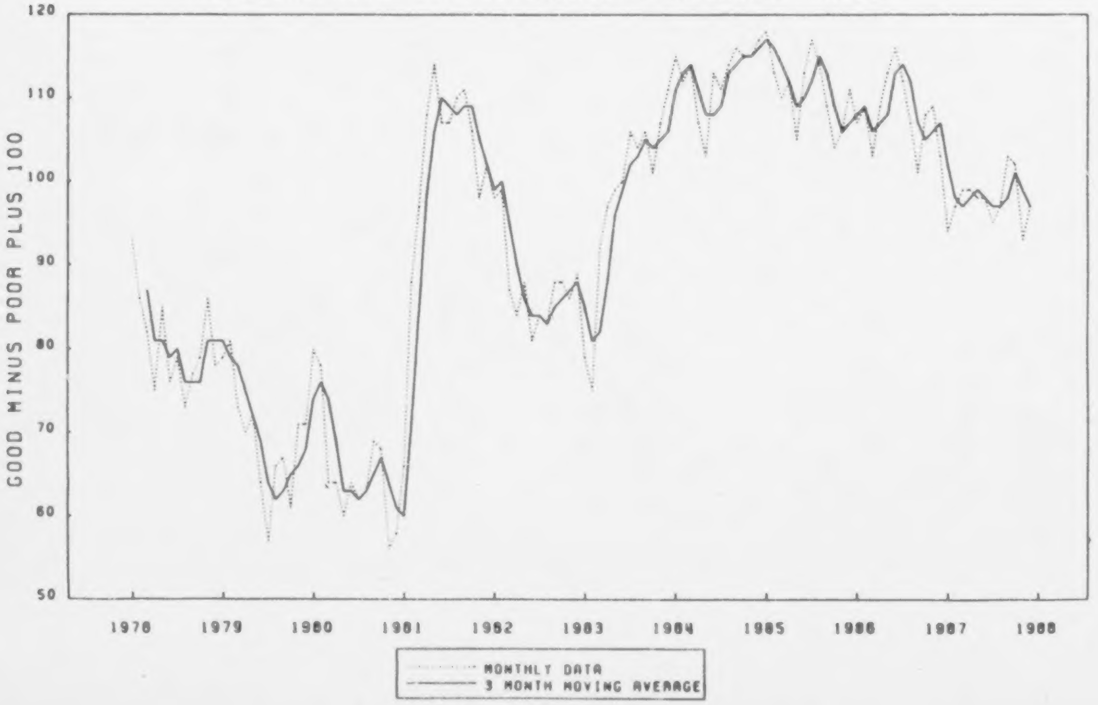


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
A GOOD JOB	26%	20%	23%	23%	21%	21%	23%	21%	23%	23%	25%	18%	19%
ONLY FAIR	49	52	49	52	55	55	49	52	48	54	48	54	56
A POOR JOB	23	26	26	24	22	23	25	26	26	20	23	25	22
DK,NA	2	2	2	1	2	1	3	1	3	3	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

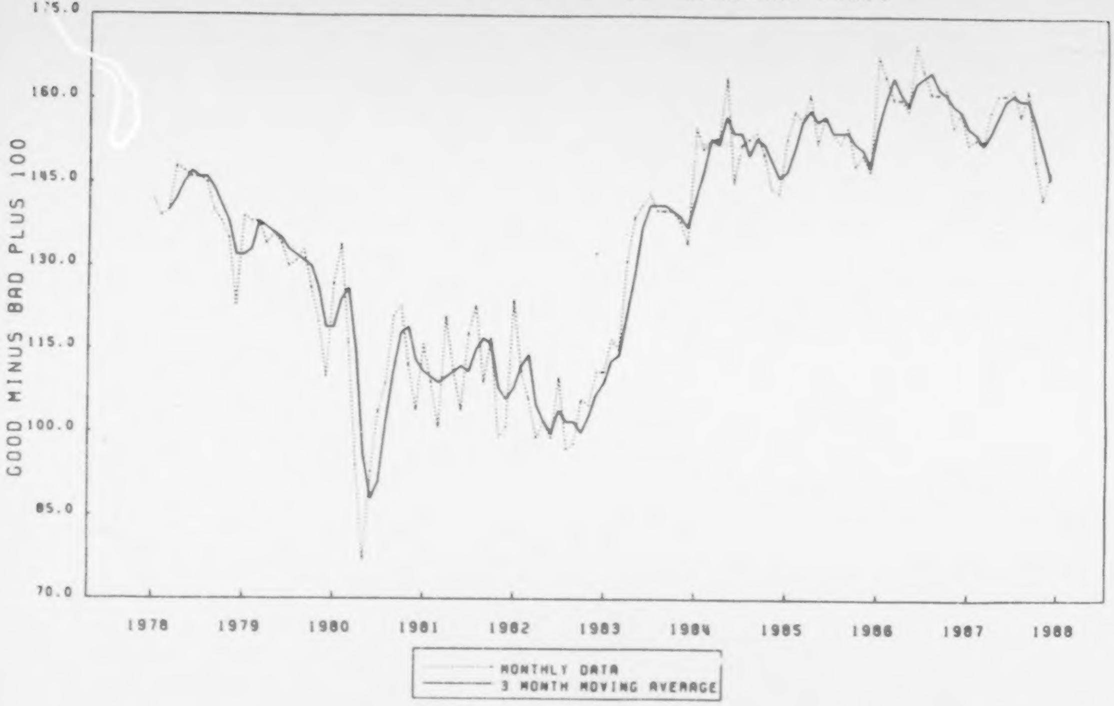


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

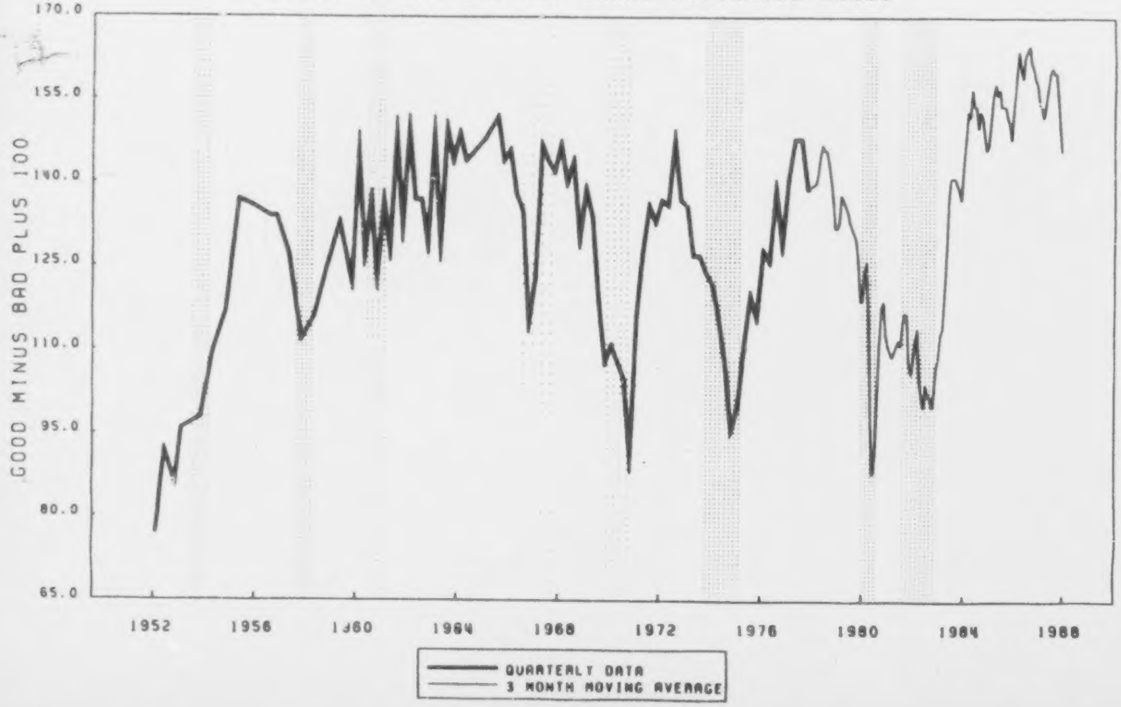


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIME TO BUY	75%	72%	73%	71%	74%	76%	76%	76%	74%	75%	69%	66%	69%
UNCERTAIN, DEPENDS	8	8	7	10	10	9	9	10	9	12	11	10	9
BAD TIME TO BUY	17	20	20	19	16	15	15	14	17	13	20	24	22
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

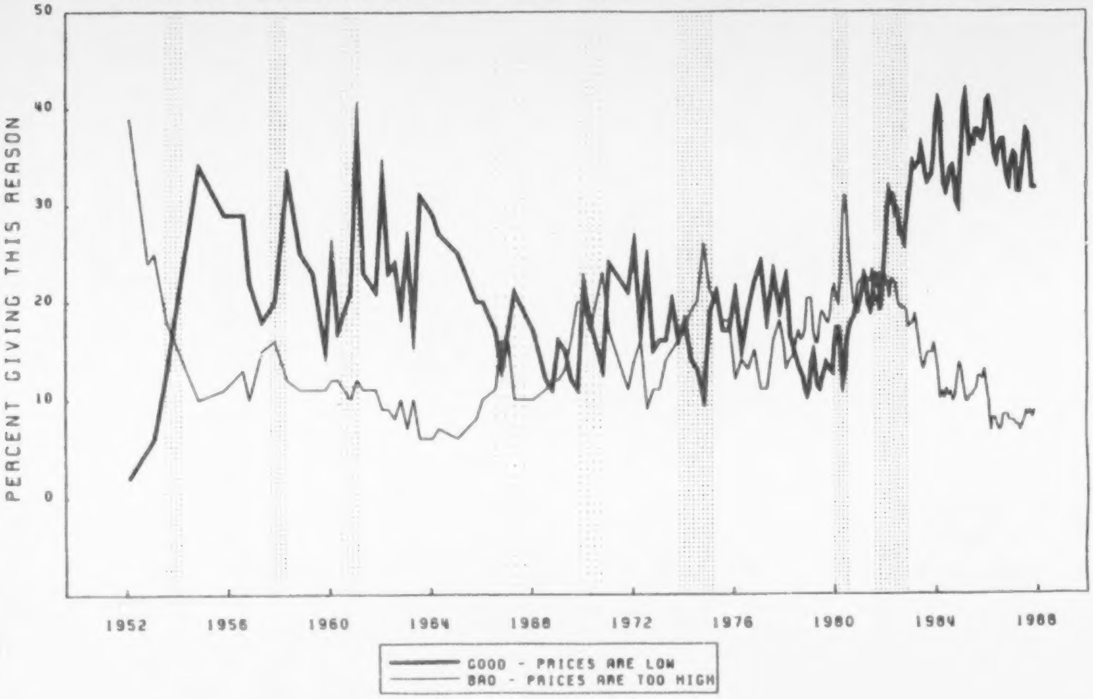


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

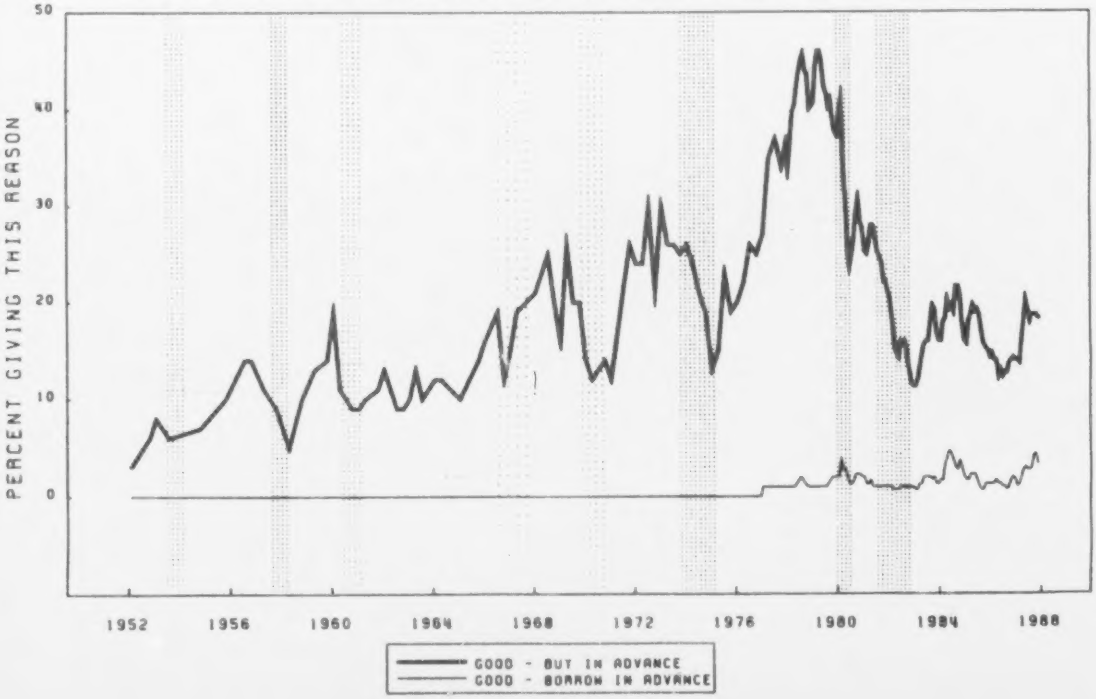


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	40%	33%	32%	29%	33%	38%	37%	38%	37%	28%	30%	37%
Prices won't come down; are going higher	15	13	14	14	20	20	21	17	16	23	17	16	22
Interest rates low	17	19	20	21	18	16	12	11	15	11	9	11	8
Borrow-in-advance rates	1	1	1	2	3	3	3	2	3	4	6	3	1
Times are good; prosperity	5	6	6	6	7	6	5	6	6	6	7	4	4
BAD TIME TO BUY:													
Prices are high	8	7	8	7	7	6	9	8	9	8	9	7	10
Interest rates are high; credit is tight	2	3	4	4	3	3	3	3	4	4	4	8	6
Times are bad; can't afford to buy	4	7	5	6	4	3	4	3	5	2	6	4	4
Bad times ahead; uncertain future	3	1	2	2	1	2	2	2	1	1	4	10	5

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

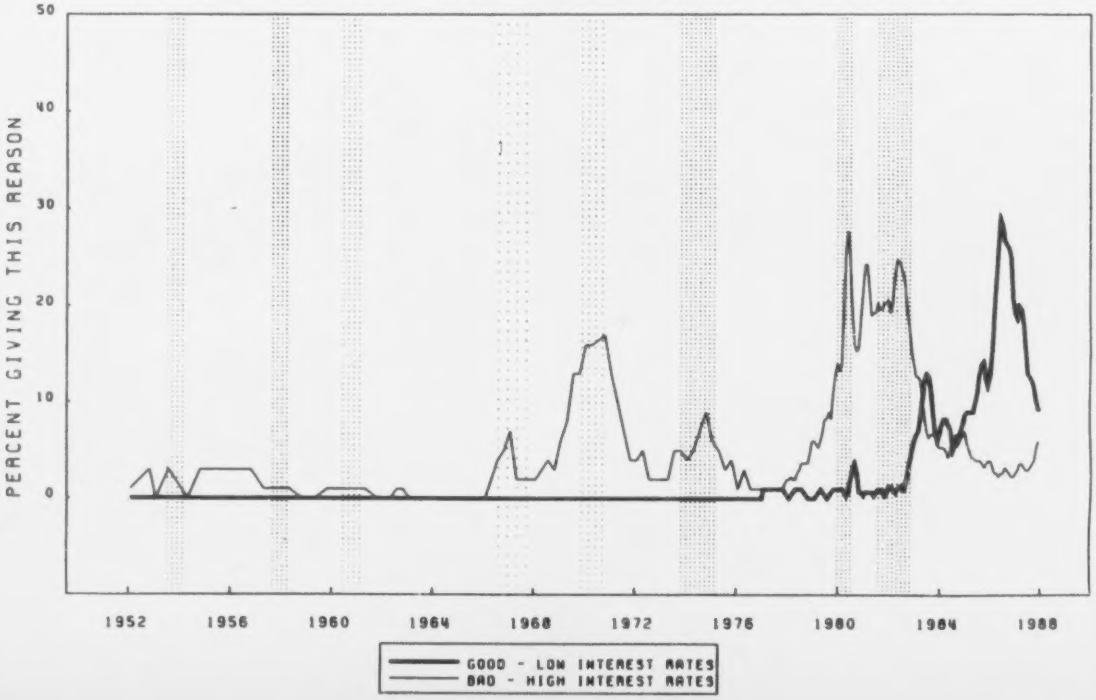


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

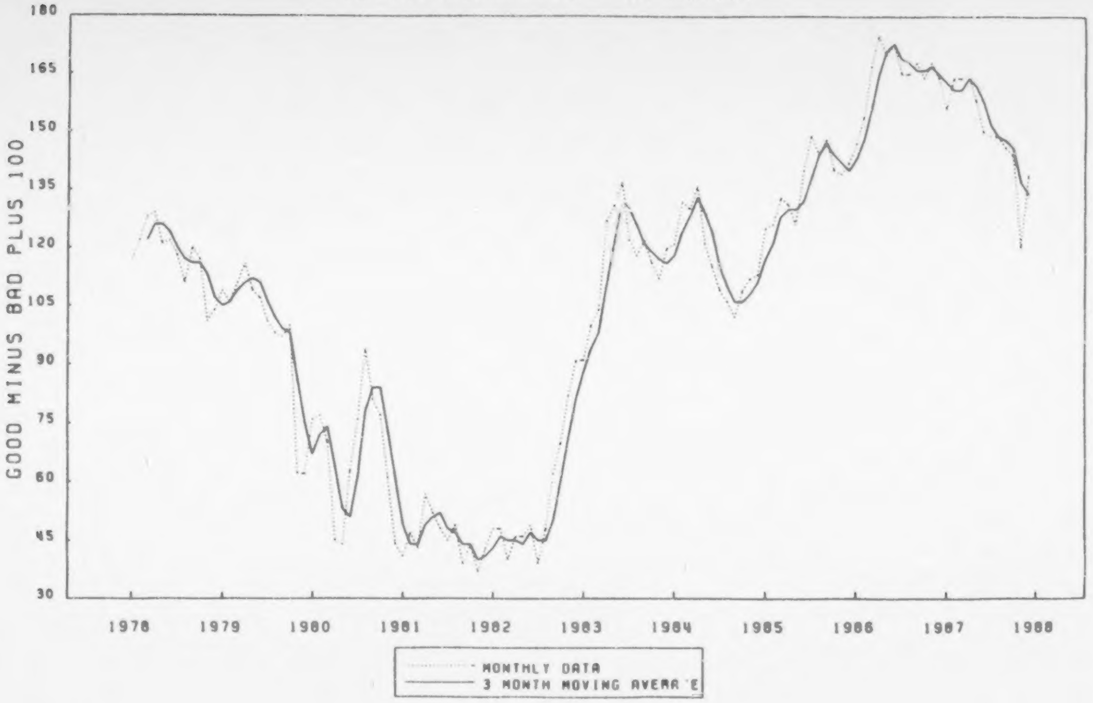


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

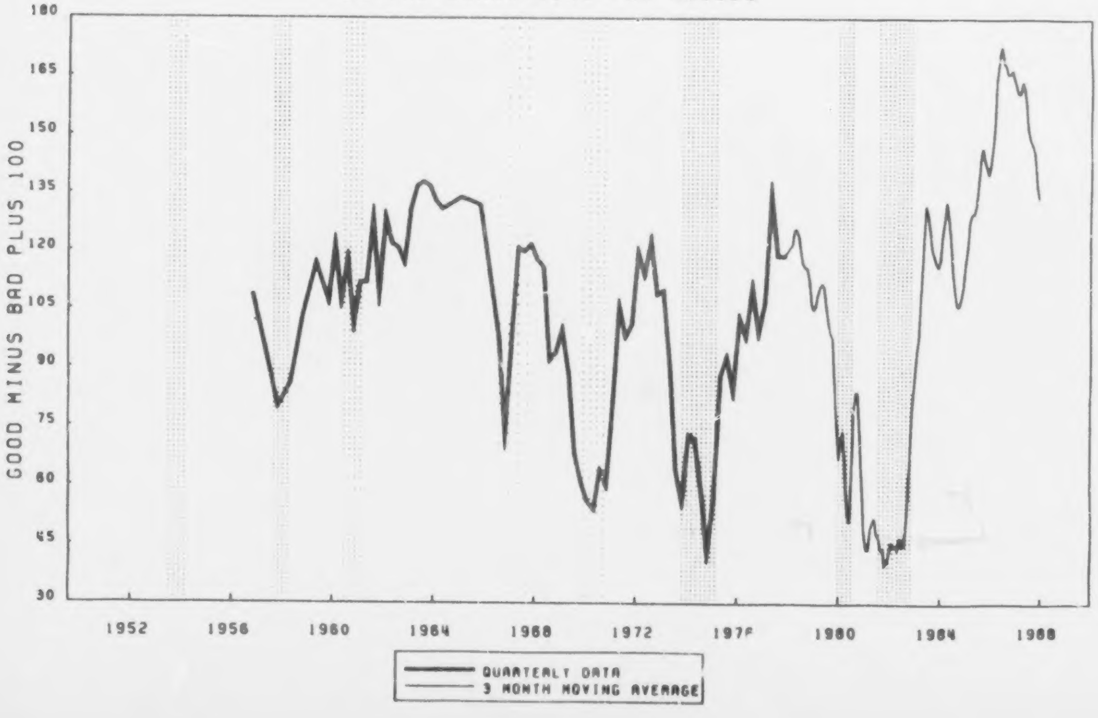


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIME TO BUY	80%	76%	81%	80%	82%	77%	73%	72%	73%	71%	70%	58%	68%
UNCERTAIN, DEPENDS	4	4	2	4	1	4	4	5	3	4	4	4	3
BAD TIME TO BUY	16	20	17	16	17	19	23	23	24	25	26	38	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

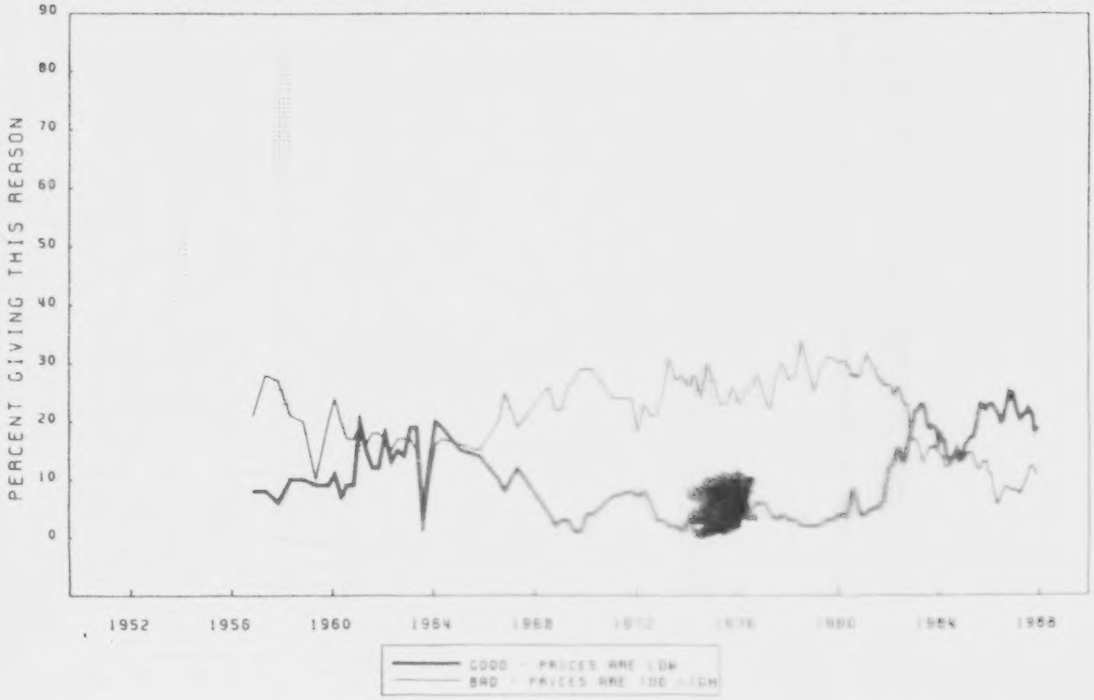


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

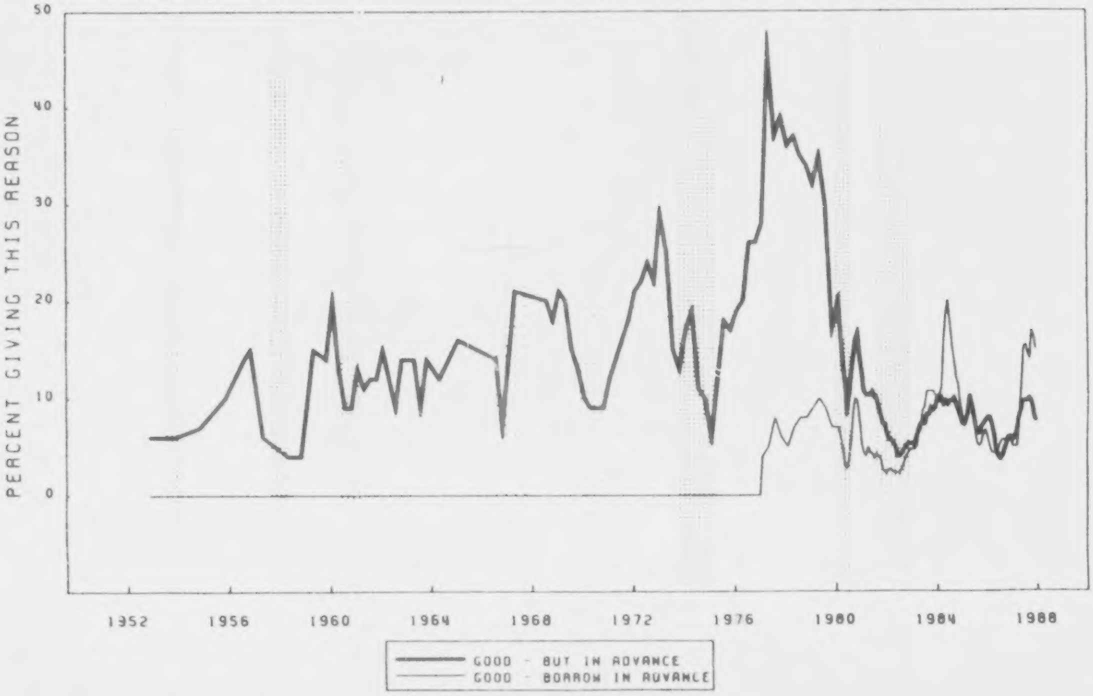


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	24%	21%	19%	21%	22%	21%	21%	25%	19%	19%	16%	21%
Prices won't come down; are going higher	6	5	7	8	9	9	11	9	9	12	8	6	9
Interest rates low	68	65	68	66	60	50	45	46	44	37	33	32	40
Borrow-in-advance rates	5	4	6	5	11	16	18	13	13	16	22	11	12
Good investment	6	6	3	6	7	5	5	6	7	7	6	7	9
Times are good; prosperity	1	1	2	5	2	4	2	4	2	5	3	3	3
BAD TIME TO BUY:													
Prices are high	8	10	6	8	8	9	10	10	13	13	11	11	10
Interest rates are high; credit is tight	5	7	6	6	4	9	12	12	10	13	18	19	13
Times are bad; can't afford to buy	5	8	5	6	5	5	5	4	5	5	7	5	7
Bad times ahead; uncertain future	3	1	3	1	3	2	3	1	3	3	4	13	7

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

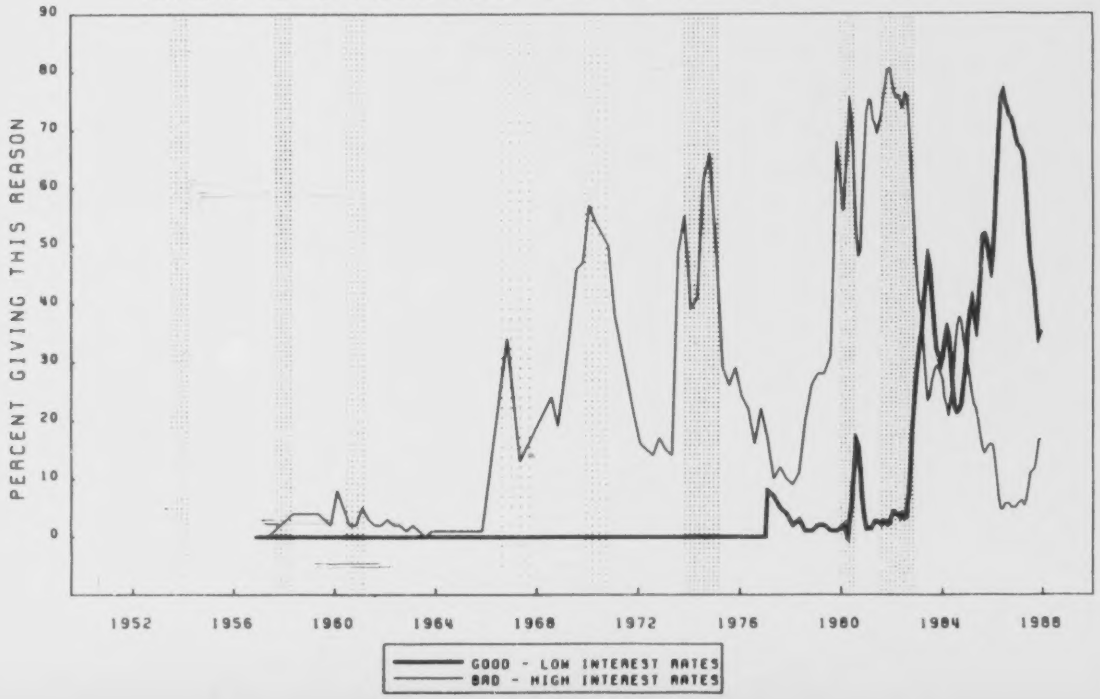


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

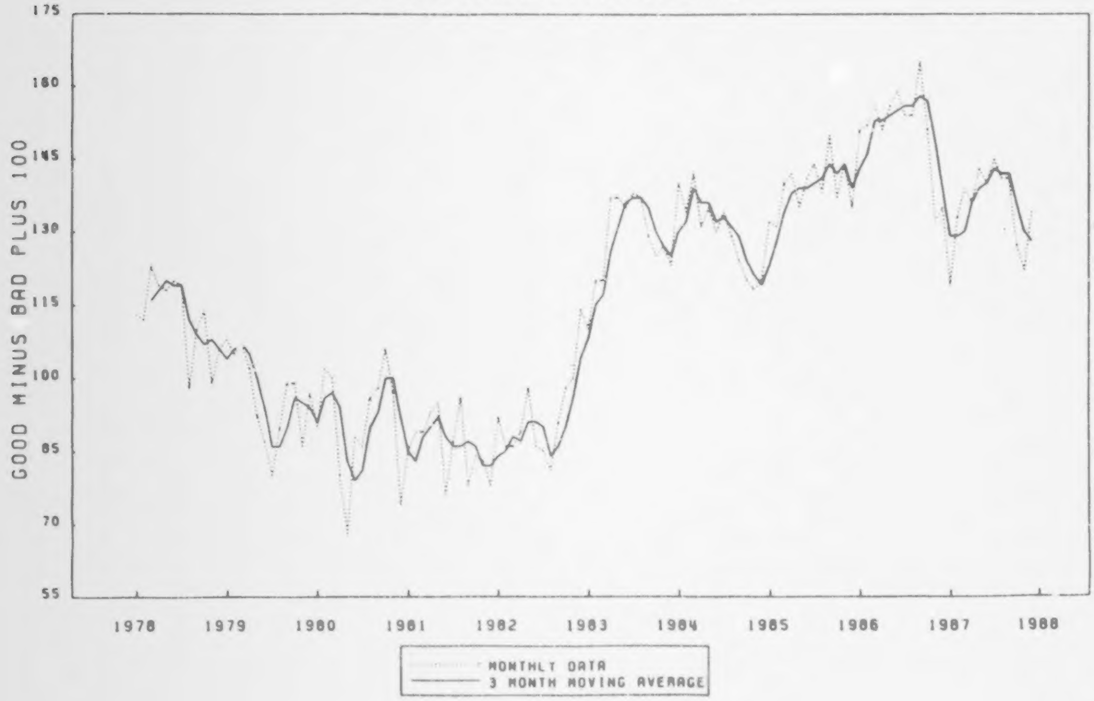


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

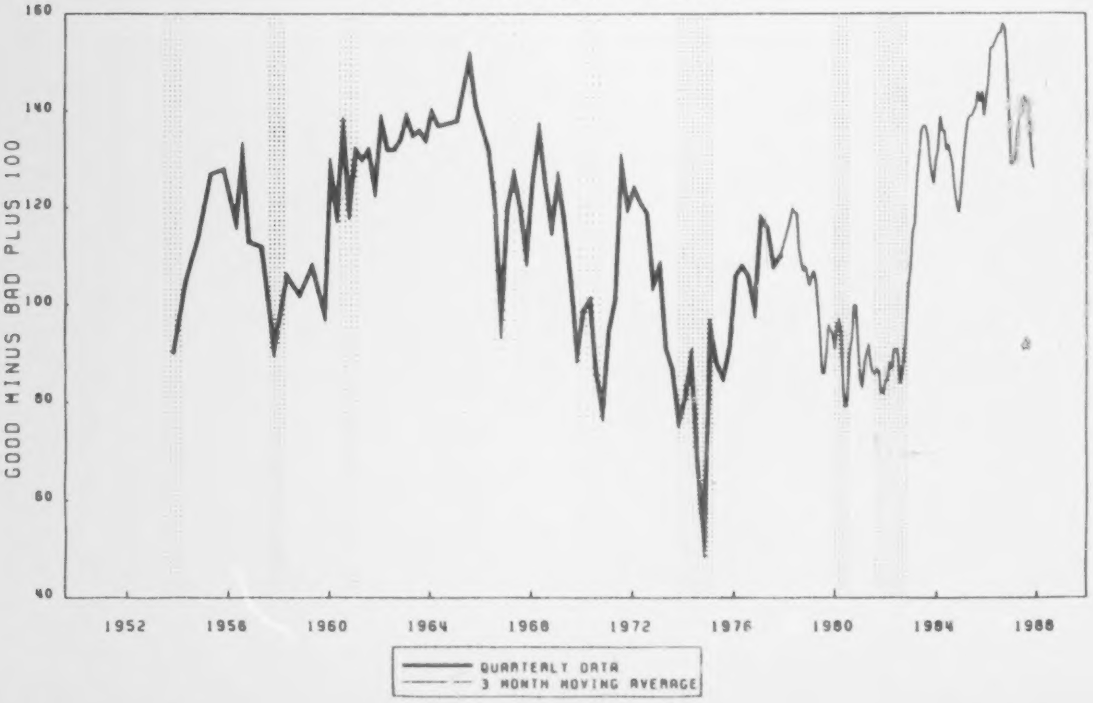


TABLE 25

BUYING CONDITIONS FOR CARS

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIME TO BUY	64%	55%	62%	66%	64%	67%	65%	67%	66%	66%	58%	57%	64%
UNCERTAIN; DEPENDS	7	9	9	7	8	9	10	11	9	9	11	8	6
BAD TIME TO BUY	29	36	29	27	28	24	25	22	25	25	31	35	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	655	657	652	652	651	654	651	654	650	500	501	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

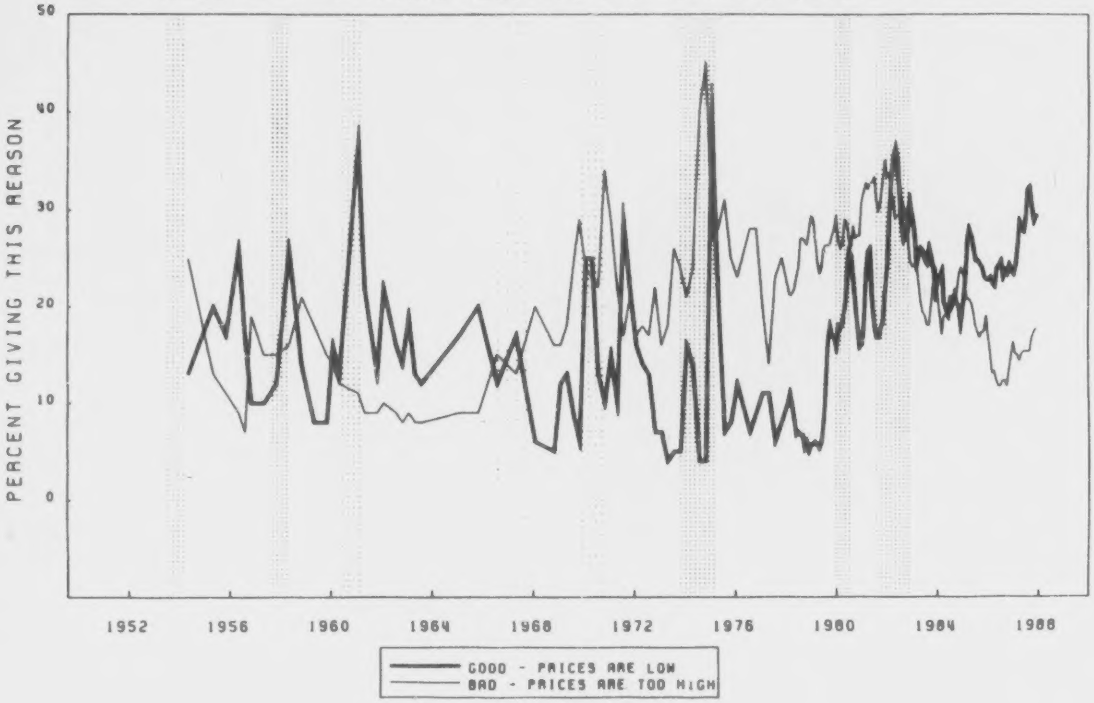


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

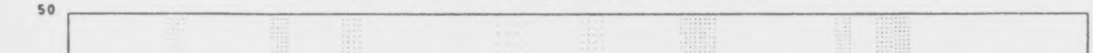


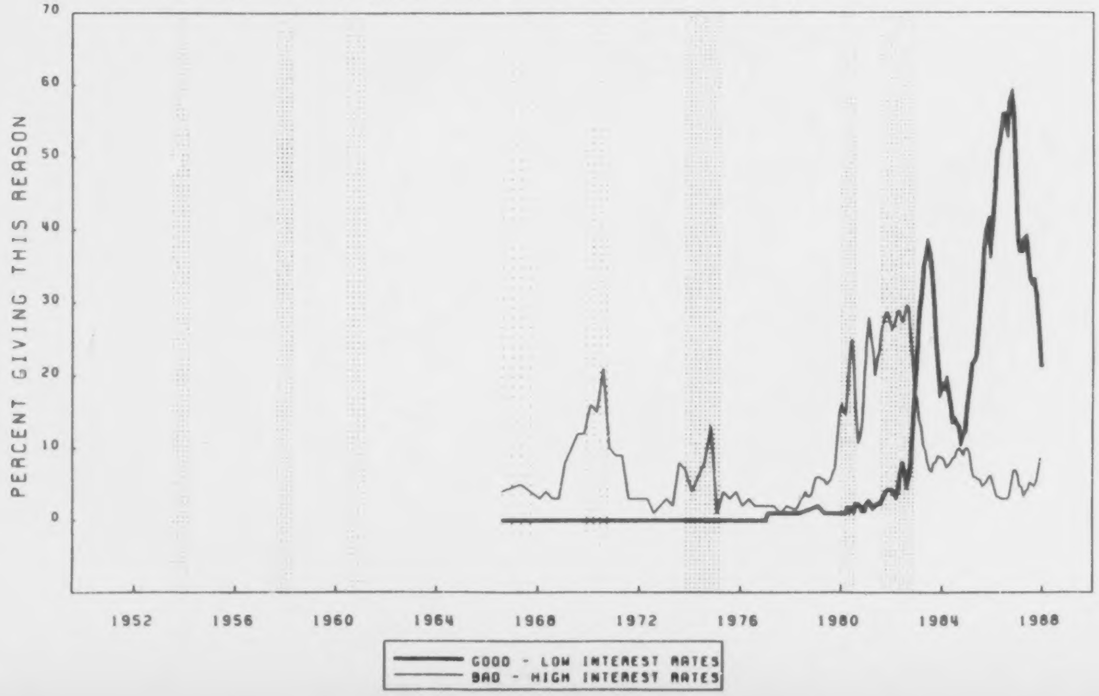
TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	21%	29%	29%	28%	27%	28%	32%	36%	29%	26%	31%	31%
Prices won't come down; are going higher	9	8	8	6	9	13	15	10	10	15	14	10	14
Interest rates low	43	32	36	43	37	37	35	28	35	36	22	21	21
Borrow-in-advance rates	2	2	2	1	4	3	3	3	3	4	5	3	2
Times are good; prosperity	1	3	2	1	3	2	*	3	2	2	4	2	2
BAD TIME TO BUY:													
Prices are high	15	17	13	15	15	15	16	15	15	16	19	17	17
Interest rates are high; credit is tight	4	6	4	4	2	6	5	5	5	4	7	10	9
Times are bad; can't afford to buy	3	5	3	3	3	3	3	3	3	3	3	4	4
Bad times ahead; uncertain future	1	1	3	2	2	2	1	1	*	1	3	9	4
Poor selection; quality	2	2	2	2	3	3	2	3	5	4	2	2	4

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.
* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

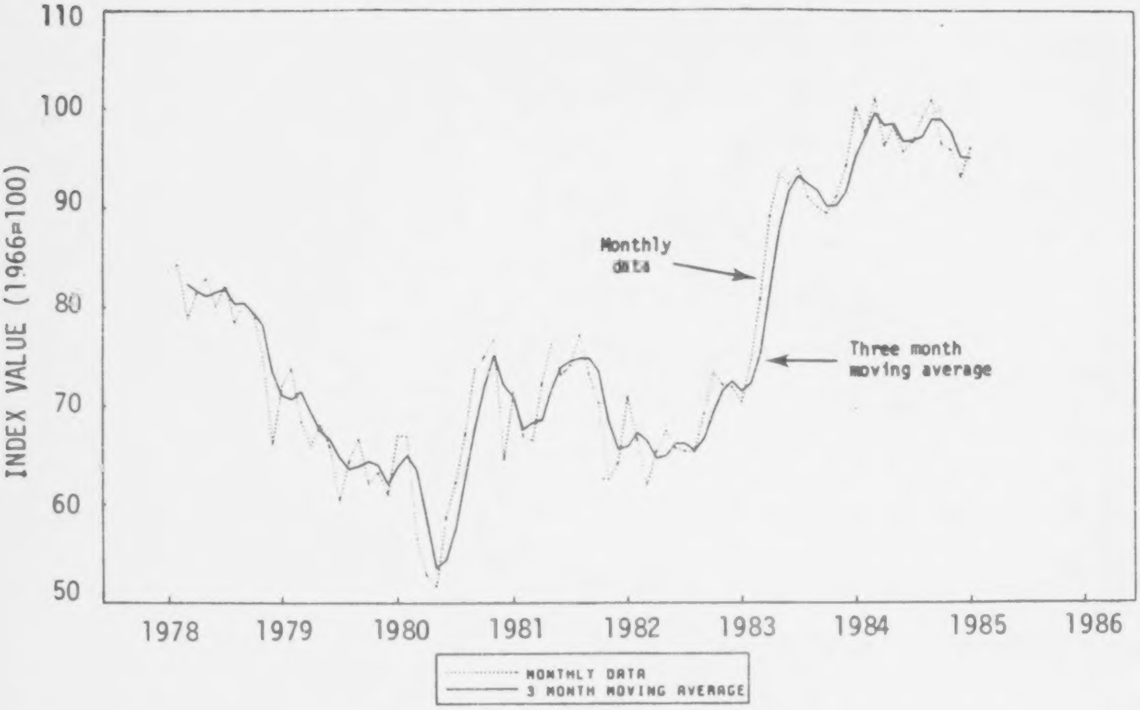
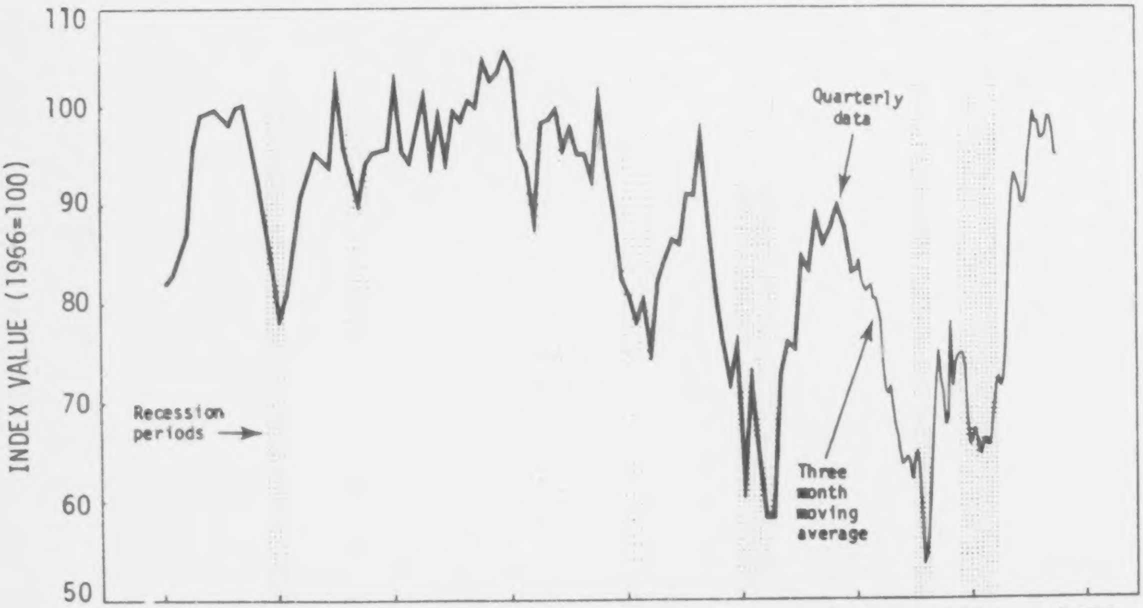


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

47475-2 A

Surveys of Consumers

Richard T. Curtin, *Director*

REBOUND IN CONSUMER CONFIDENCE CONTINUES

- The Index of Consumer Sentiment rose to 90.8 in the January 1988 survey, from 86.8 in December and 83.1 in November. The rebound following the stock market crash has now restored the Index to the year earlier reading of 90.4. The recent improvement has been in assessments of the near term outlook for both personal finances and the national economy.

- Among families with incomes of $30,000 or more, the Index rose to 99.0 in the January 1988 survey from 94.5 in December and 87.7 in November. This strong two month improvement among high income families brought the Index to just below the year earlier reading of 101.2.

- Immediately following the stock market crash, the surveys recorded a sharp rise in the proportion of consumers that expected bad times financially in the country as a whole. Since then, this expectation has been reversed. In the January 1988 survey, 47 percent of all families expected good times financially during the year ahead compared with 37 percent that expected bad times financially. This is nearly the reverse of the November reading, when the balance of opinion was unfavorable, with 45 percent expecting bad times compared with 38 percent that expected good times financially.

- In contrast to the improvement in the one year outlook for the economy, consumers did not judge longer term prospects for the economy more favorably. In the January 1988 survey, 50 percent of all families expected bad times financially in the economy during the next five years, up from 44 percent in December, and comparable to the 51 percent recorded in November 1987. These results indicate that the initial fears of consumers of an imminent recession due to the stock market crash have been dispelled, but that concerns about the longer term vitality of the economy still remain.

- The positive aspects of the current outlook is that the majority of consumers expected the national unemployment rate and the inflation rate to remain largely unchanged at their current levels during the year ahead. The negative aspects involve expectations of rising interest rates. Among all families in the January 1988 survey, 54 percent expected increases in interest rates during the year ahead. This represents an improvement from the two-thirds of consumers that voiced this expectation from May to October 1987, but is well above the year earlier reading of 37 percent. It has been these changing assessments of interest rates that have dulled favorable buying attitudes.

- Favorable attitudes toward buying conditions for homes were held by 67 percent of all families in the January 1988 survey, up from the crash depressed level of 58 percent two months earlier, but still below the year earlier level of 76 percent. Many fewer consumers cited the availability of low mortgage rates in January 1988 than one year earlier (35, down from 65 percent). Partially offsetting this decline has been a small increase in the proportion of families that cited the appeal of borrowing in advance of expected mortgage rate increases, rising to 13 percent in January 1988 from 4 percent one year earlier. Thus far, these mortgage rate concerns have led to only a marginal increase in the view that current mortgage rates were too high and a cause for postponement (13 percent in January 1988, up from 7 percent one year earlier).

- The proportion of families holding favorable car buying attitudes fell to 59 percent in January 1988 from 64 percent one month earlier. This reading is comparable to those recorded in the October and November 1987 surveys, and just ahead of the 55 percent recorded in January 1987. The January 1988 survey recorded an increase in references to the availability of discounted prices compared with a year earlier (32, up from 21 percent), but a decline in references to the availability of interest rate discounts (20, down from 32 percent). Little change was recorded during the past year in either complaints about high prices (17 percent) or high interest rates (5 percent).

- Attitudes toward buying conditions for household appliances, furniture, and electronic goods improved slightly in the January 1988 survey, regaining the year earlier level. Among all families, 72 percent held favorable buying attitudes toward household durables in the January 1988 survey, up from 69 percent in late 1987, and equal to the year earlier reading. The improvement since late 1987 has been due to more favorable opinions of market prices. The proportion of families reporting the availability of discounted prices rose to 37 percent in January 1988 from the October low of 28 percent.

- Nearly twice as many consumers reported that their financial situation has improved rather than worsened during the past year (46 versus 24 percent)—an assessment that has remained largely unchanged during the past year. The January improvement came in expectations for the year ahead. Among all families, 38 percent expected their financial situation to improve, up from 32 percent in December, while the number that expected worsening finances fell to 7 from 12 percent. Importantly, the proportion of families that expected income declines fell to just 10 percent in January from 19 percent one month earlier.

- These data indicate that the stock market crash has had only a small and temporary impact on consumer confidence. Following their initial reaction to the plunge in stock prices, consumers have now regained confidence in the domestic economy. That confidence has now returned to the levels prevailing before the market crash is certainly good news. But it must be remembered that even before the crash, consumer confidence had already shown signs of erosion. The majority of consumers, then as now, expect only modest gains in their personal financial situation, and expect that the overall performance of the national economy will remain sluggish. Although the darkening clouds on the economic horizon now appear more distant than a few months ago, they have not disappeared from view.

- Overall, these results indicate that a consumer led recession during 1988 is not in the making. Nonetheless, the data do indicate that a slowing in the pace of sales of homes and vehicles is in progress. Renewed deep discounting by vehicle manufactures and declines in mortgage rates would strengthen these otherwise lackluster prospects.

• • •

The January 1988 survey was conducted between January 4 and January 31, 1988 and included 502 completed interviews.

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JANUARY 1988

The January 1988 survey was the 234th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

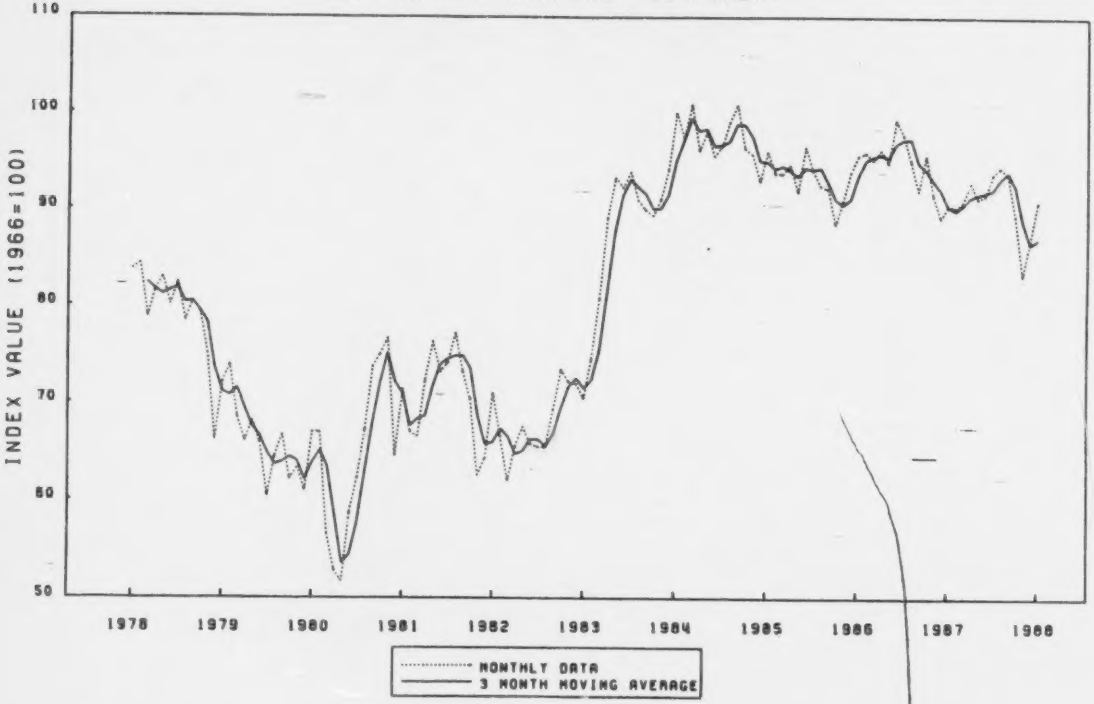


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

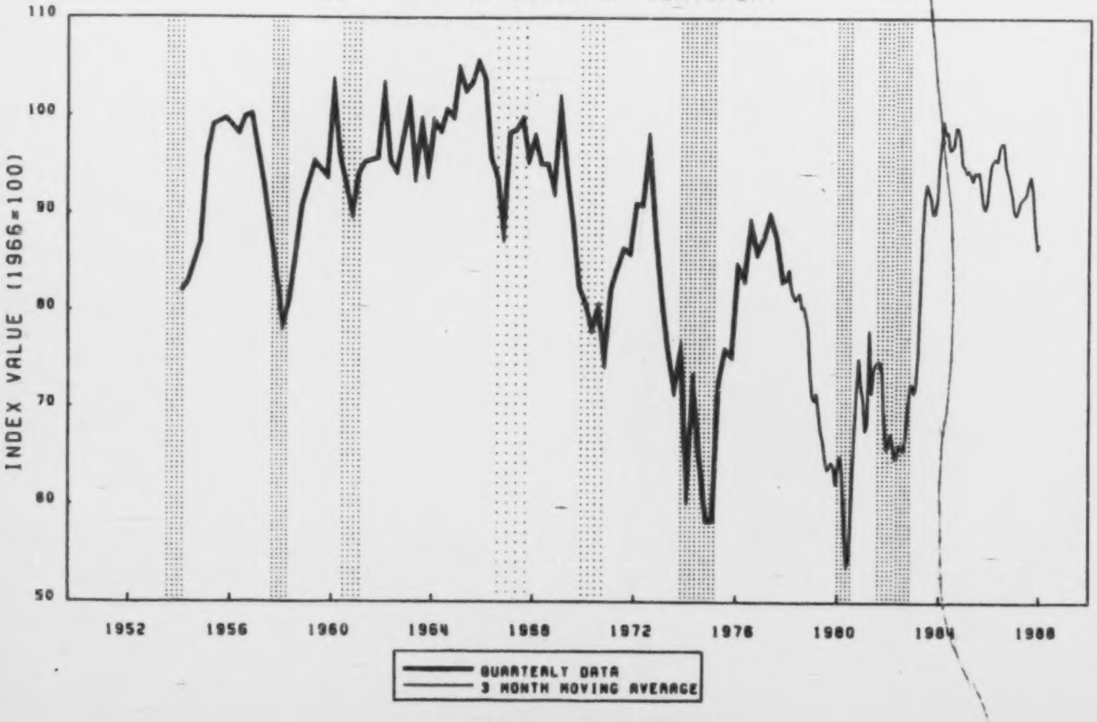


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
January 1985	96.0	110.2	112.1
February 1985	93.7	113.8	113.8
March 1985	93.7	110.8	114.4
April 1985	94.6	108.9	114.9
May 1985	91.8	105.3	107.7
June 1985	96.5	107.4	110.3
July 1985	94.0	105.2	109.5
August 1985	92.4	106.7	110.2
September 1985	92.1	101.7	104.9
October 1985	88.4	99.6	107.4
November 1985	90.9	100.8	100.3
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

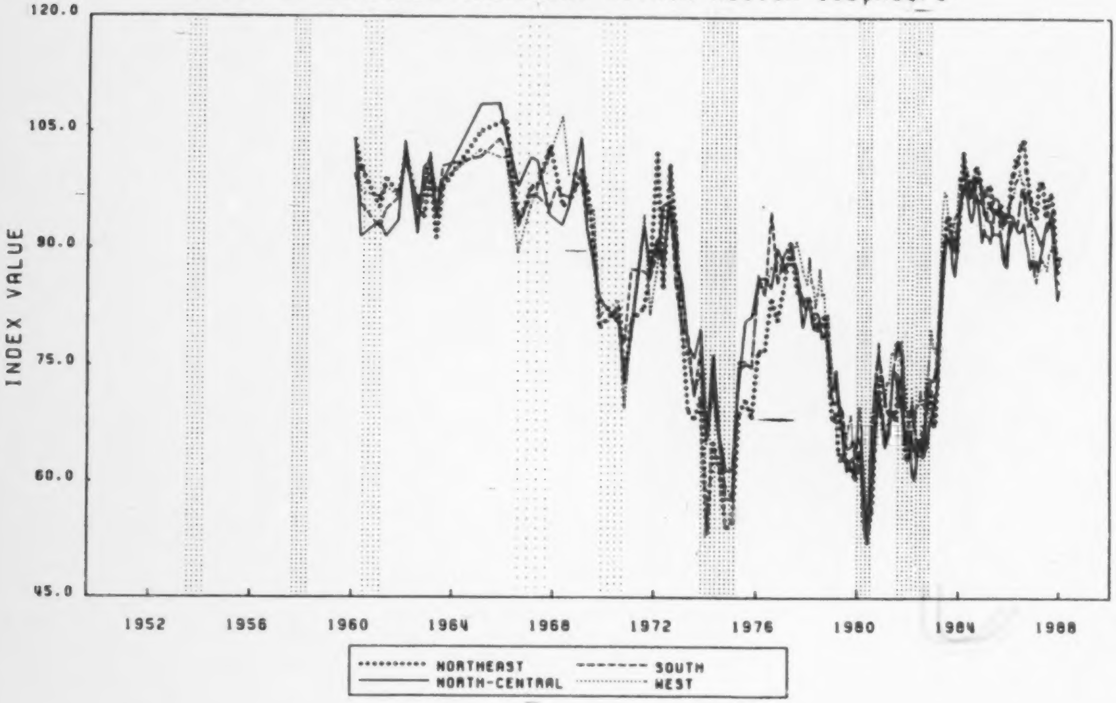


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

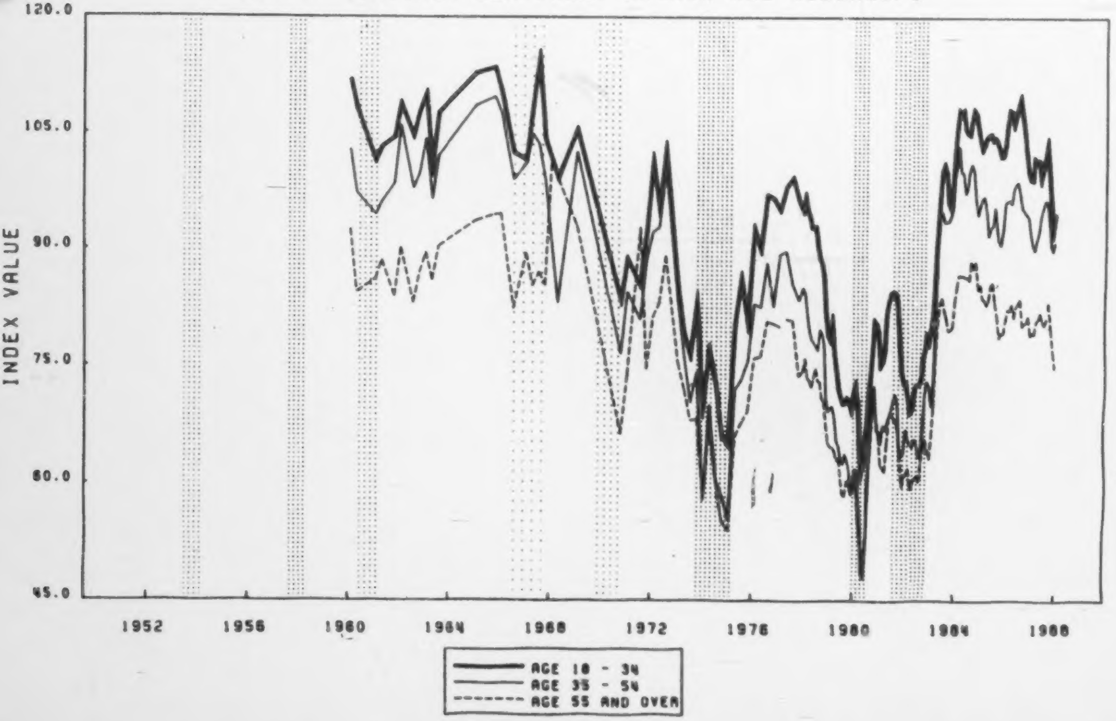


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

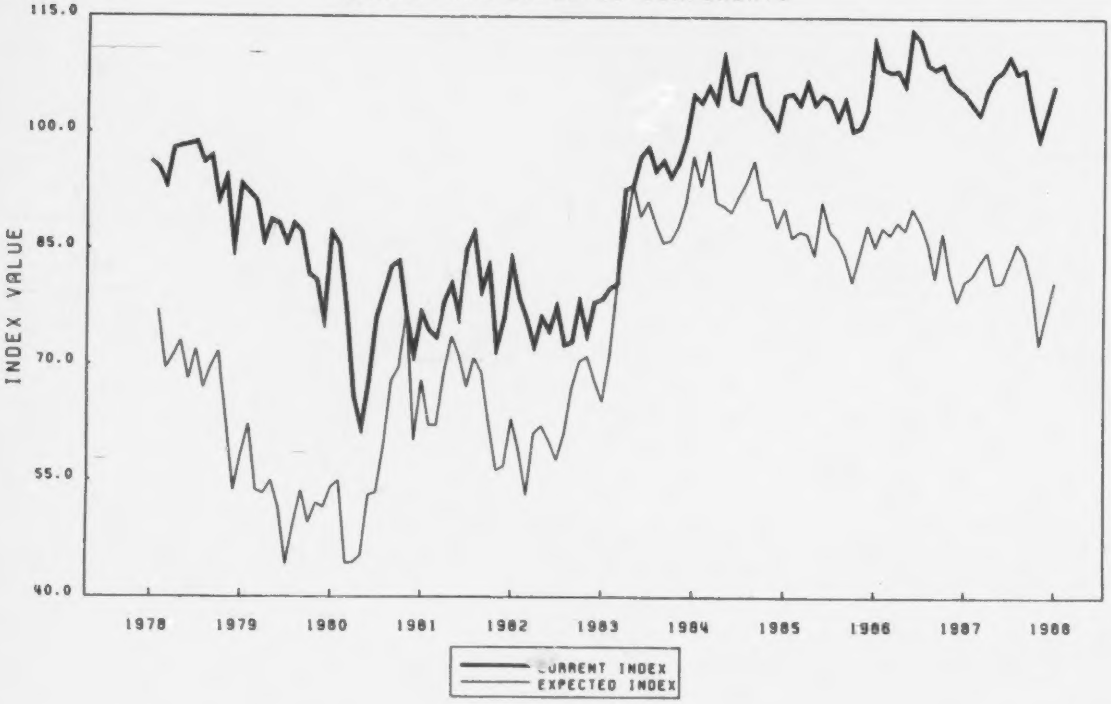


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

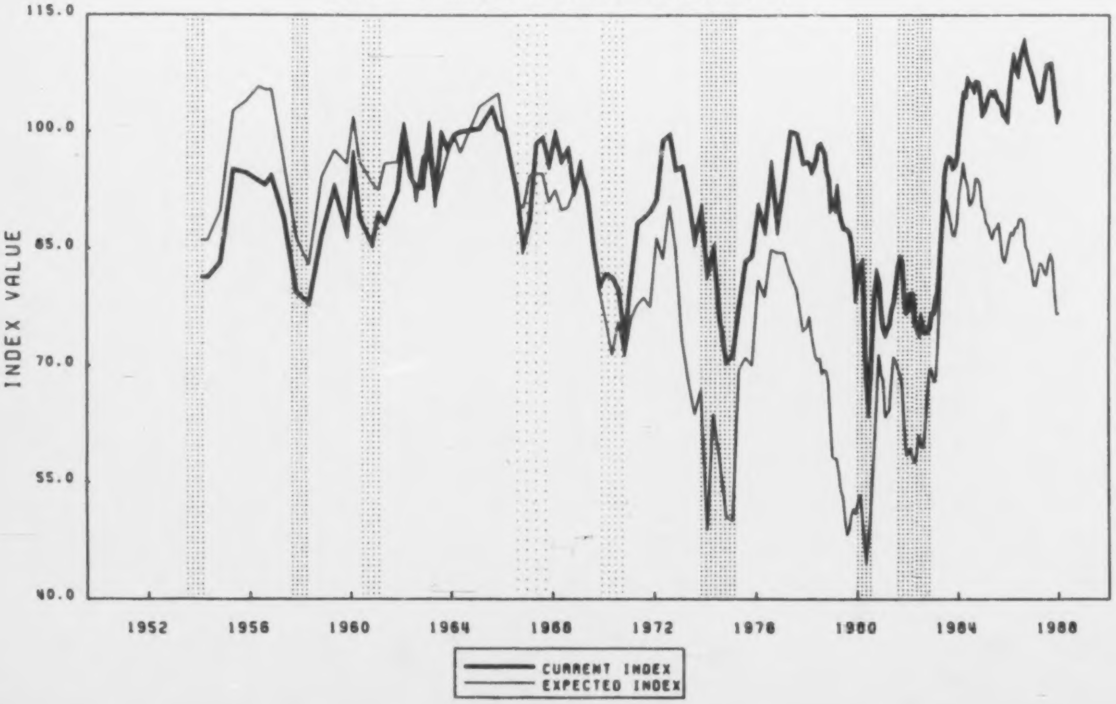


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

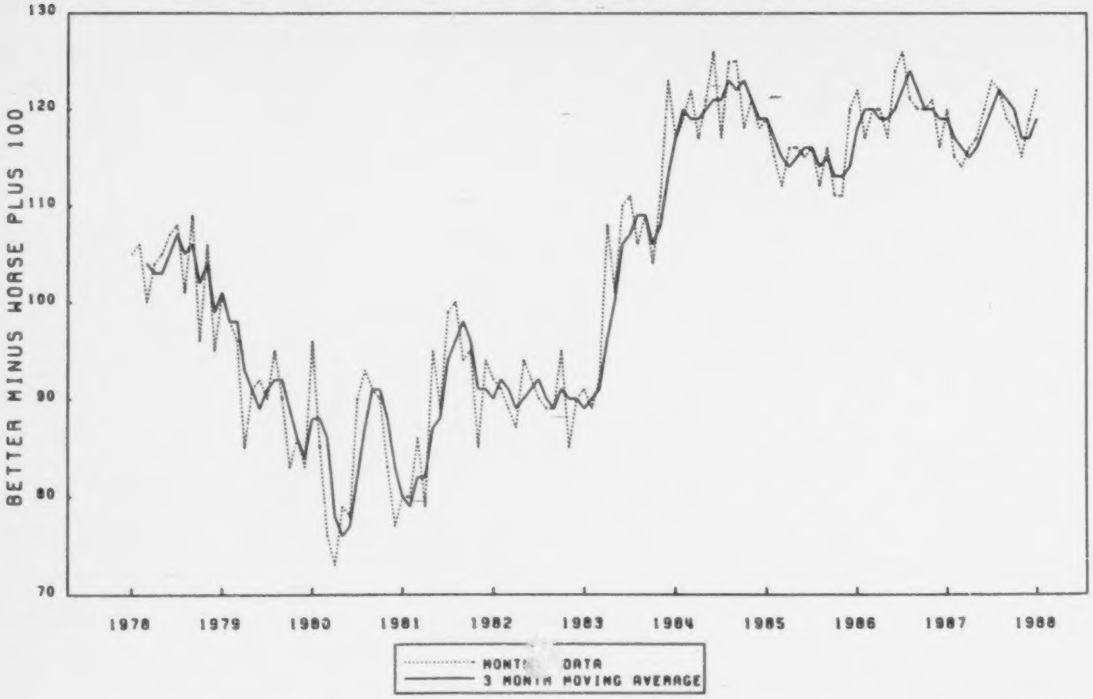


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

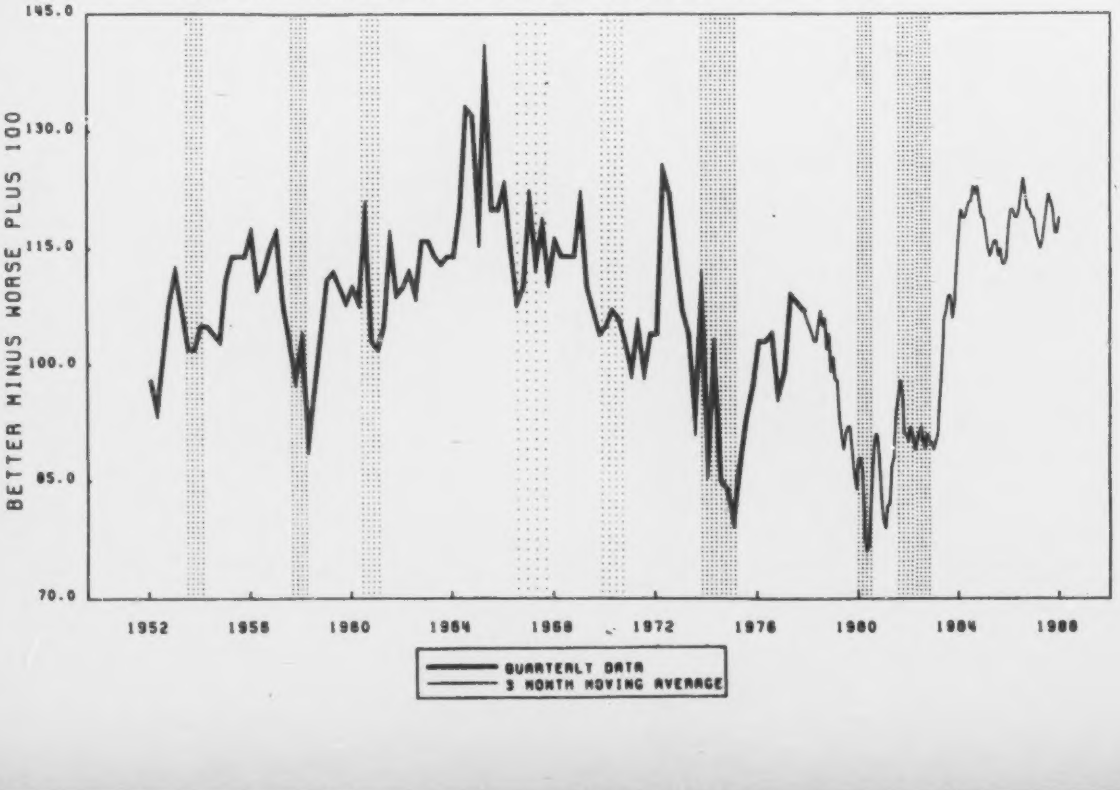


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
BETTER OFF	45%	44%	41%	42%	43%	44%	45%	45%	42%	43%	42%	43%	46%
SAME	29	27	32	32	31	32	32	32	34	32	31	33	29
WORSE OFF	25	29	27	26	26	24	22	23	23	25	27	24	24
DK,NA	1	*	*	*	*	*	1	*	1	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

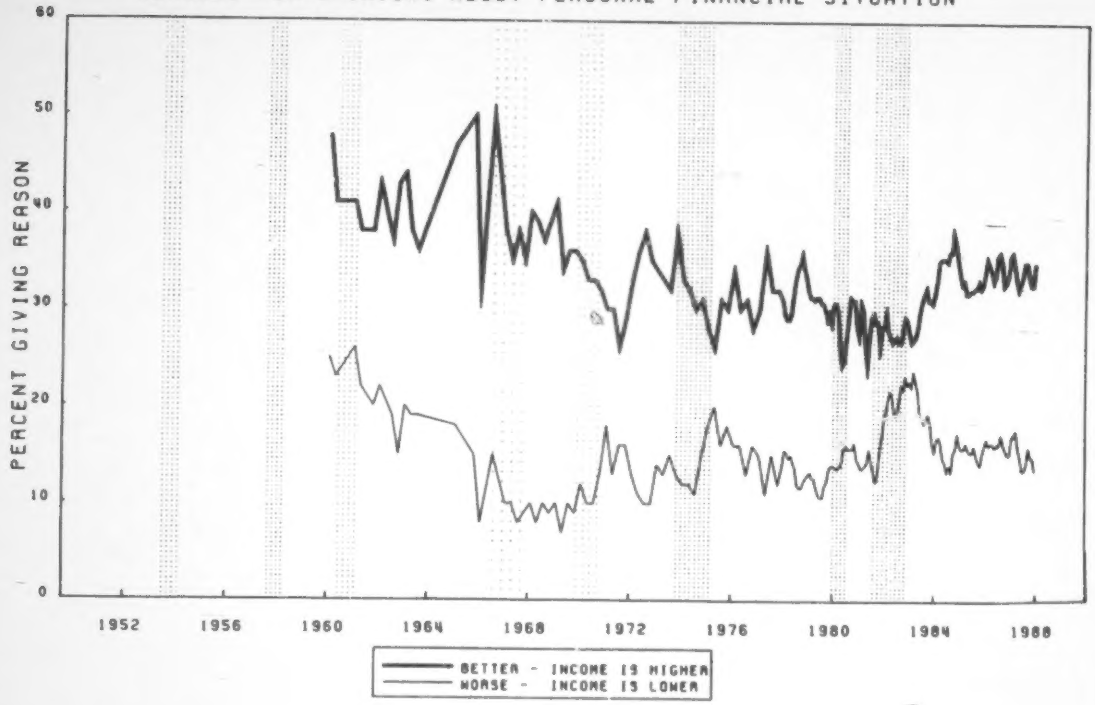


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

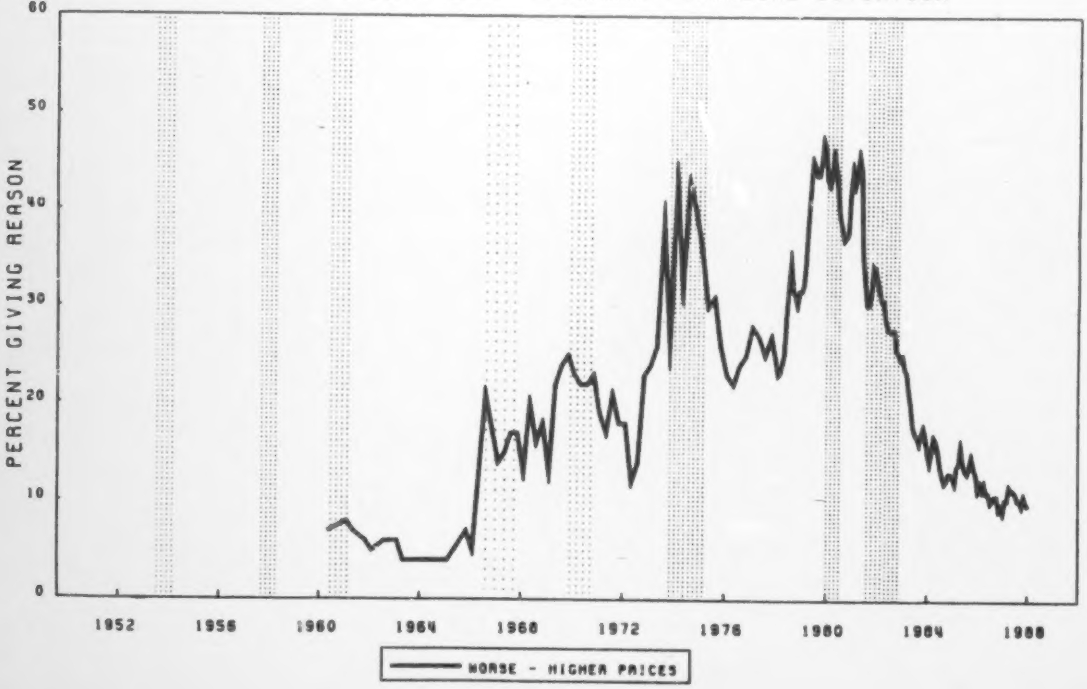


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	38%	35%	31%	34%	32%	33%	36%	36%	33%	32%	33%	33%	39%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	20	17	16	15	14	12	15	16	17	12	16	13
Higher prices	7	12	12	11	11	12	10	9	12	8	12	10	7

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

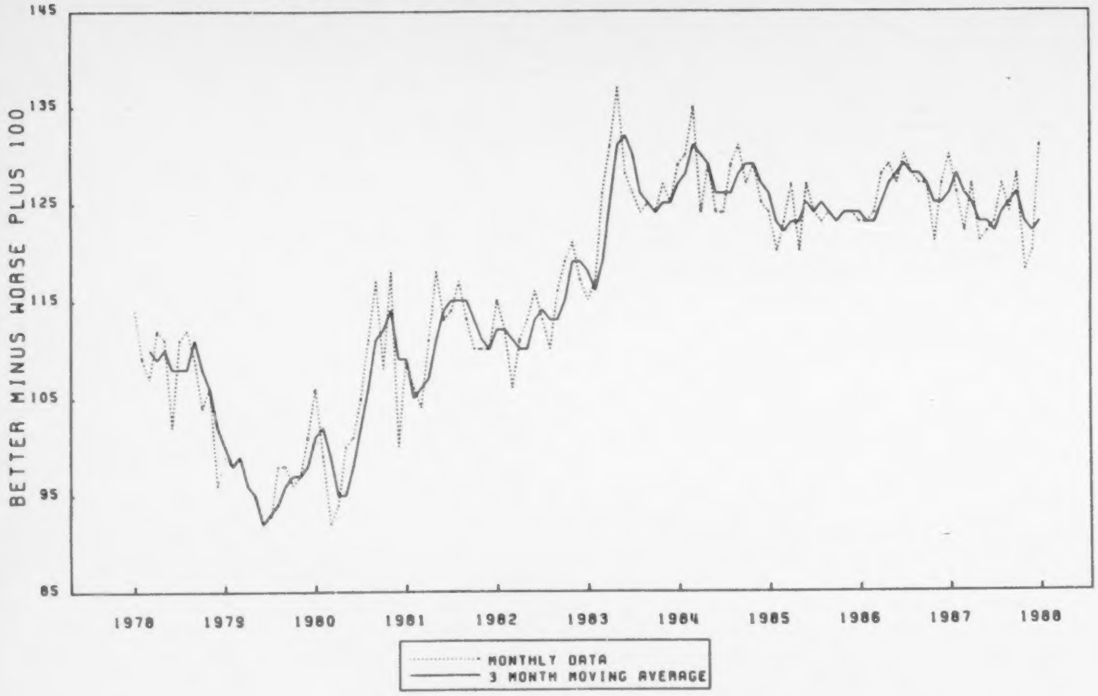


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

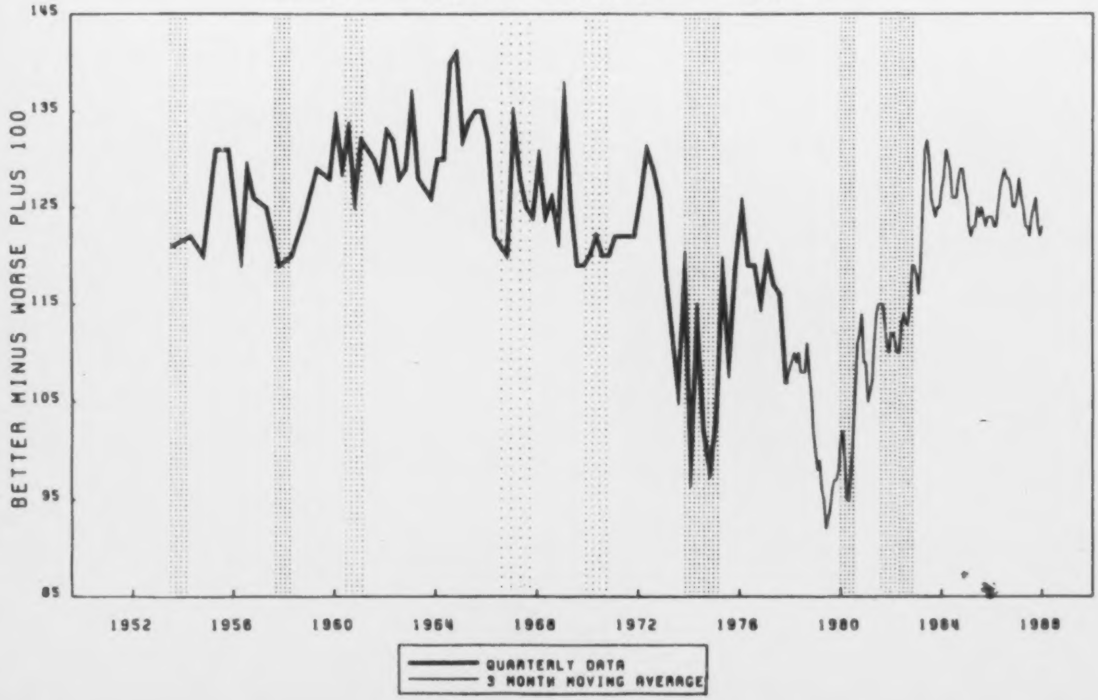


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
BETTER OFF	39%	38%	33%	37%	32%	33%	34%	39%	35%	37%	33%	32%	38%
SAME	48	48	53	49	54	53	52	46	49	51	49	51	53
WORSE OFF	9	12	11	10	11	11	11	12	11	9	15	12	7
DK,NA	4	2	3	4	3	3	3	3	5	3	3	5	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

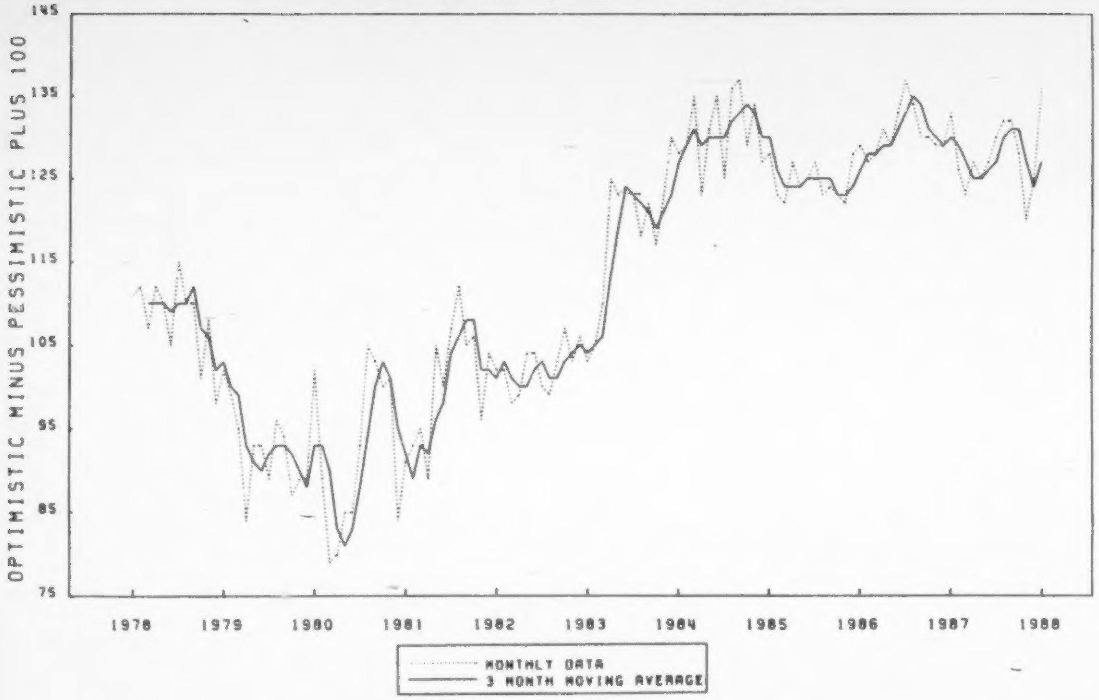


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

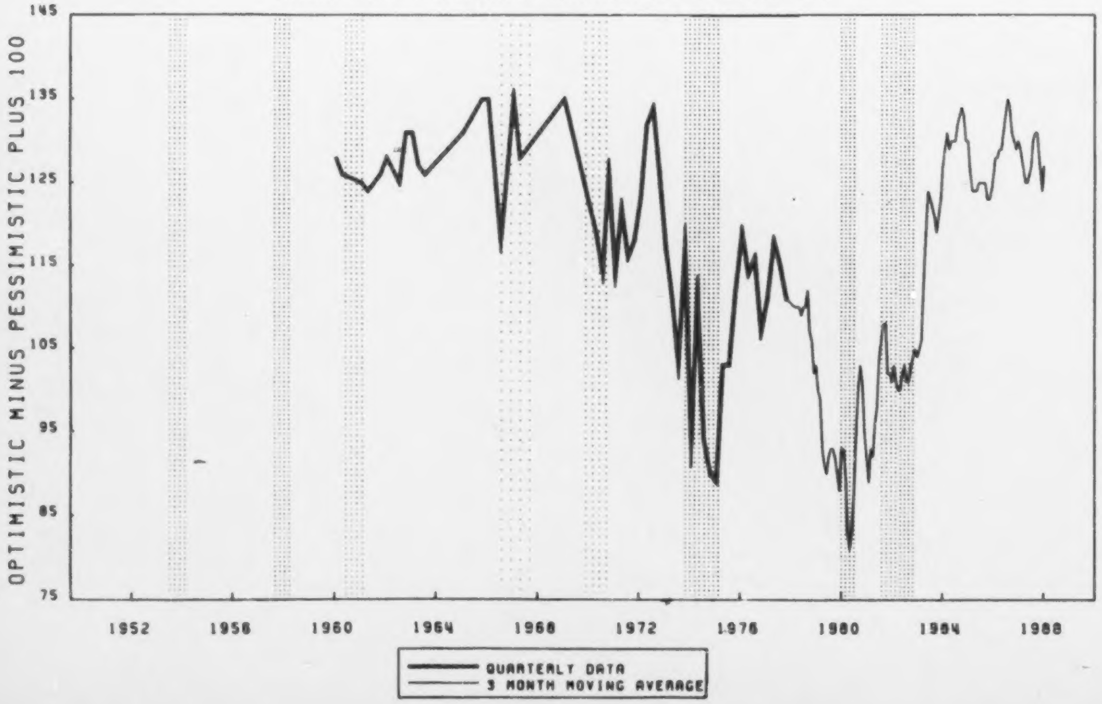


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	22%	19%	19%	17%	18%	19%	23%	18%	23%	19%	17%	21%
Intermittant increase (b)	28	27	25	28	28	31	29	29	31	24	25	27	31
Remain unchanged (c)	17	15	22	17	20	17	20	16	19	21	18	19	19
Intermittant decline (d)	14	17	16	17	16	17	14	16	12	15	18	17	13
Continuous decline (e)	3	6	5	3	4	5	4	4	5	4	6	2	3
Mixed change (f)	12	11	10	12	12	8	10	9	10	10	11	13	11
DK,NA	4	2	3	4	3	4	4	3	5	3	3	5	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

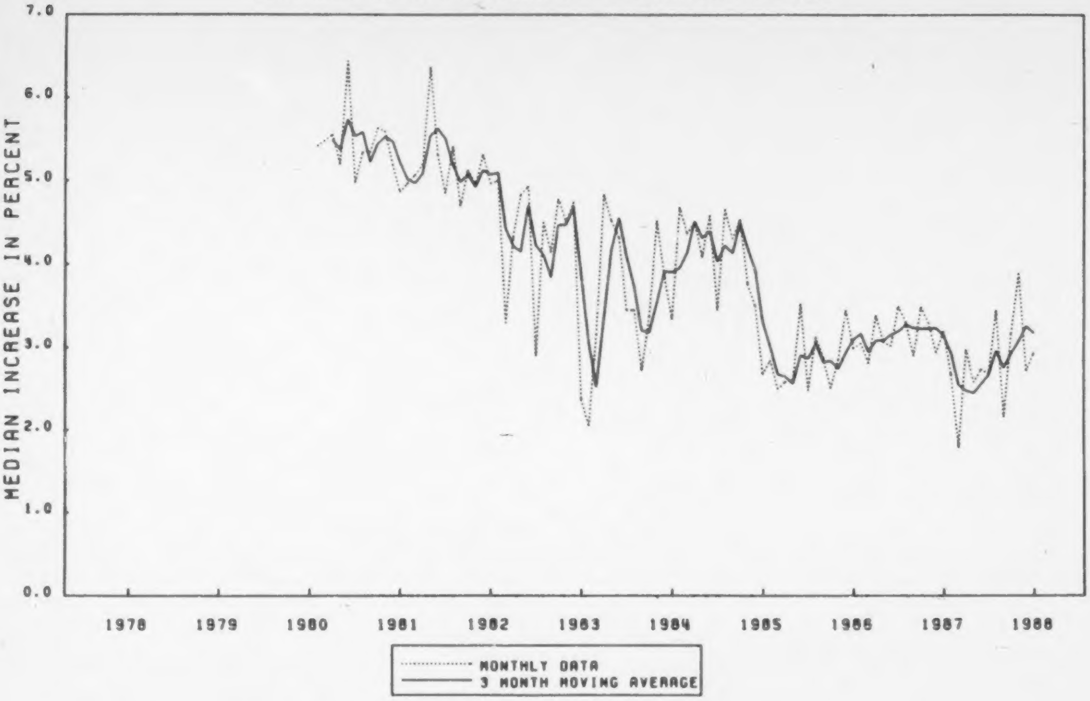


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

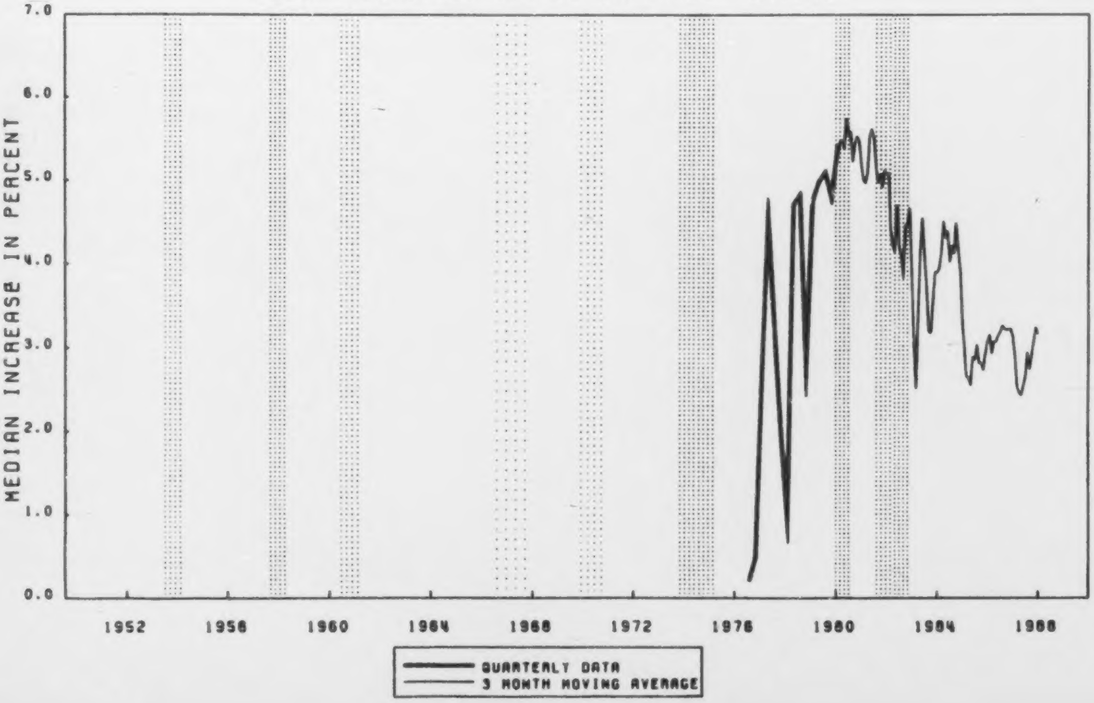


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
EXPECT INCREASE:													
1-4%	16%	15%	17%	15%	18%	21%	18%	17%	17%	15%	18%	19%	18%
5%	11	12	11	9	9	9	9	12	13	10	11	10	12
6-9%	8	5	7	8	8	10	7	6	6	9	8	8	7
10-24%	17	15	11	19	14	13	16	17	10	15	18	14	15
25% or more	6	6	5	5	6	5	6	8	6	5	7	4	6
DK how much up	4	6	6	4	3	4	4	4	5	6	2	3	4
EXPECT SAME	25	27	28	27	26	26	27	23	30	25	21	23	27
EXPECT DOWN	12	14	15	13	15	12	13	11	11	13	13	19	10
DK,NA	1	*	*	*	1	*	*	2	2	2	2	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

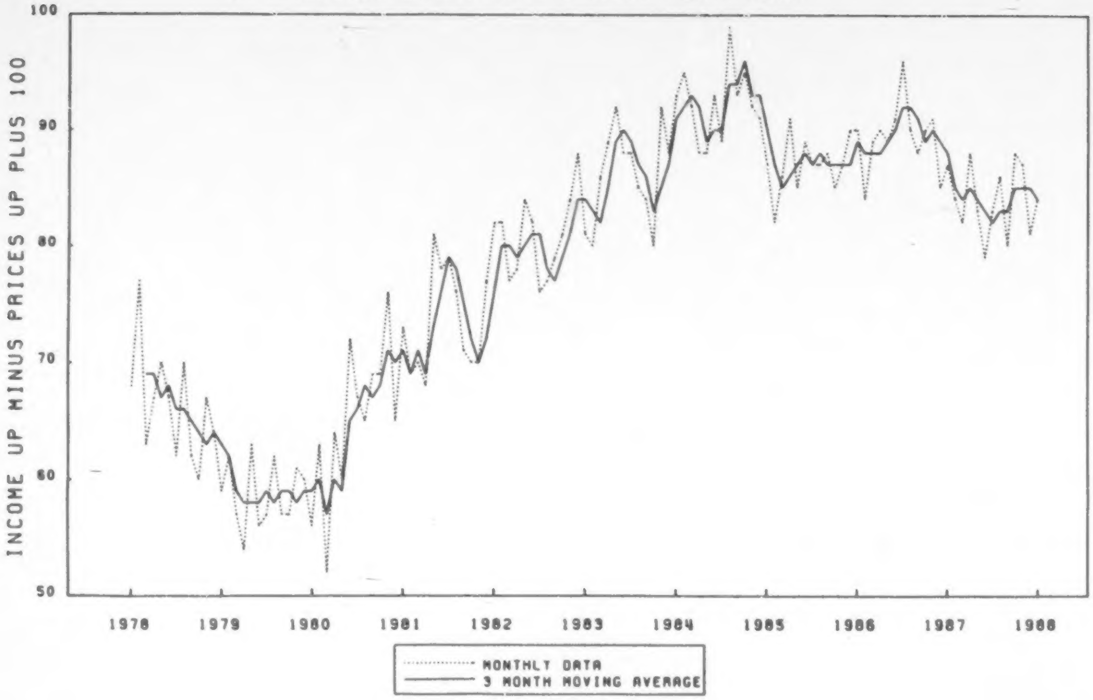


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

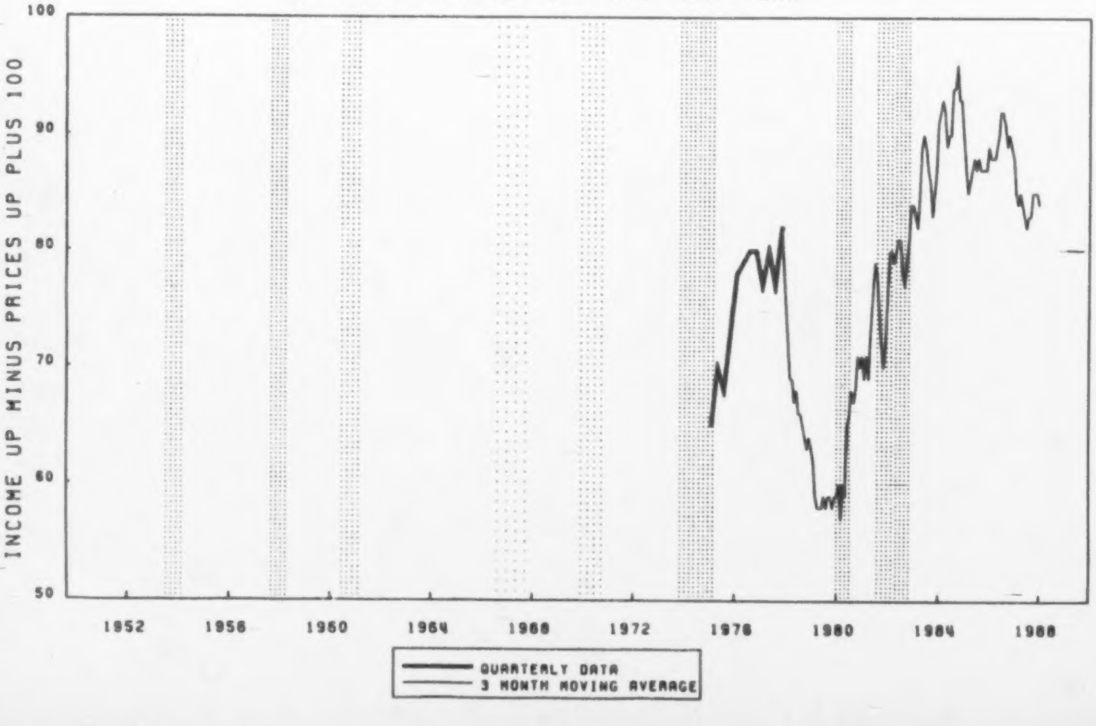


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
INCOME UP MORE	22%	20%	18%	21%	17%	17%	17%	21%	18%	20%	22%	19%	19%
INCOME UP SAME	41	42	44	44	48	44	47	42	42	45	43	41	44
PRICES UP MORE	35	36	36	33	34	38	34	35	38	32	35	38	35
DK,NA	2	2	2	2	1	1	2	2	2	3	*	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

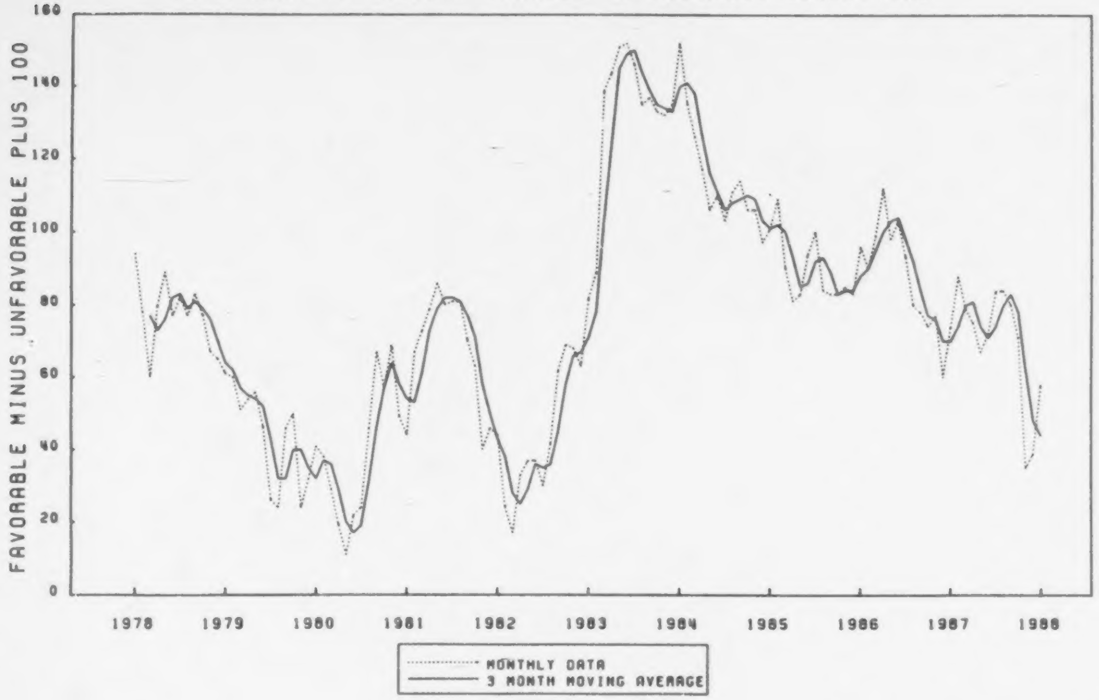


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

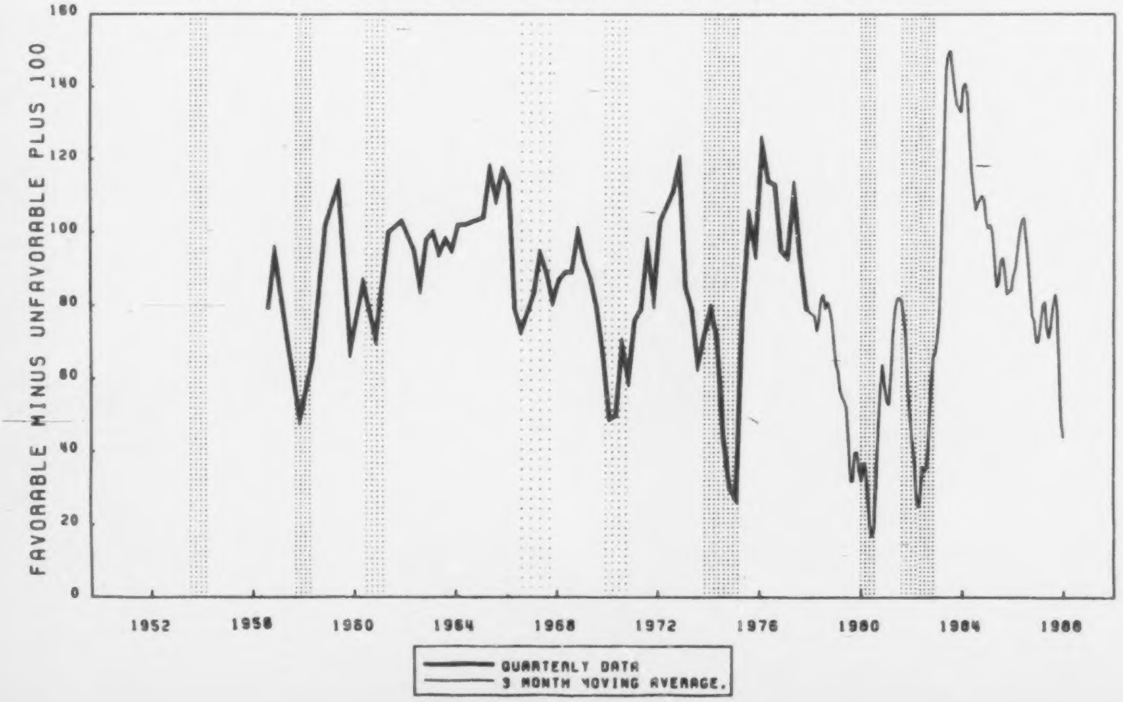


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
FAVORABLE NEWS	26%	36%	27%	27%	26%	29%	29%	32%	24%	25%	18%	18%	23%
UNFAVORABLE NEWS	52	48	48	52	59	57	45	48	44	54	83	79	65
NO MENTIONS	44	45	49	46	44	42	50	47	53	47	32	36	41

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

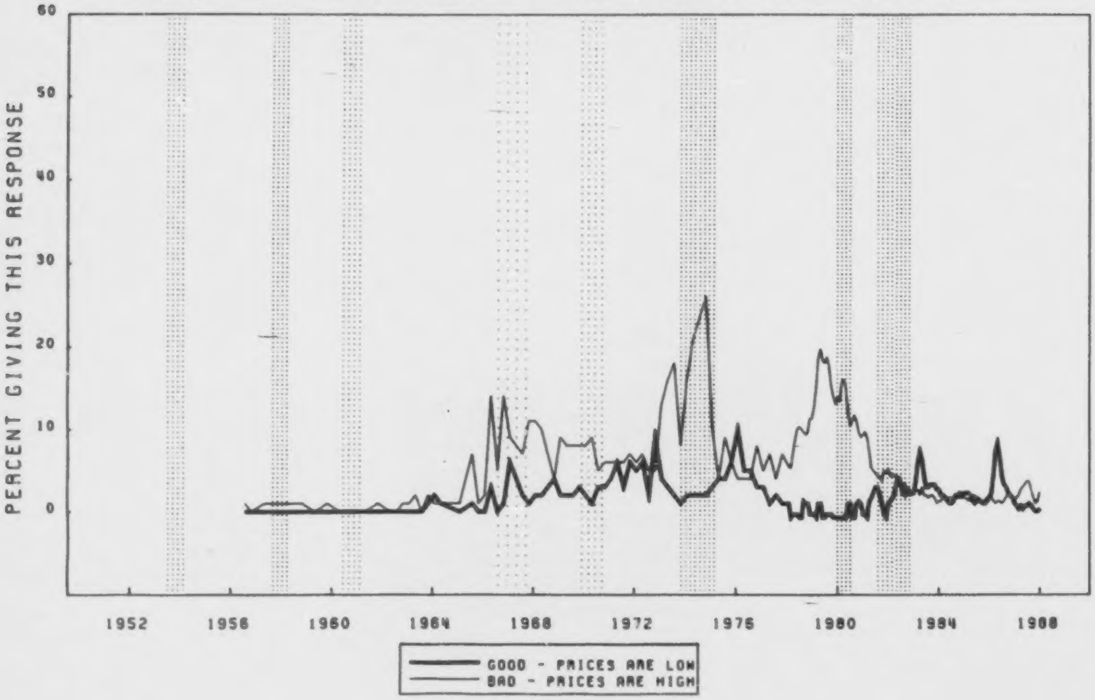


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

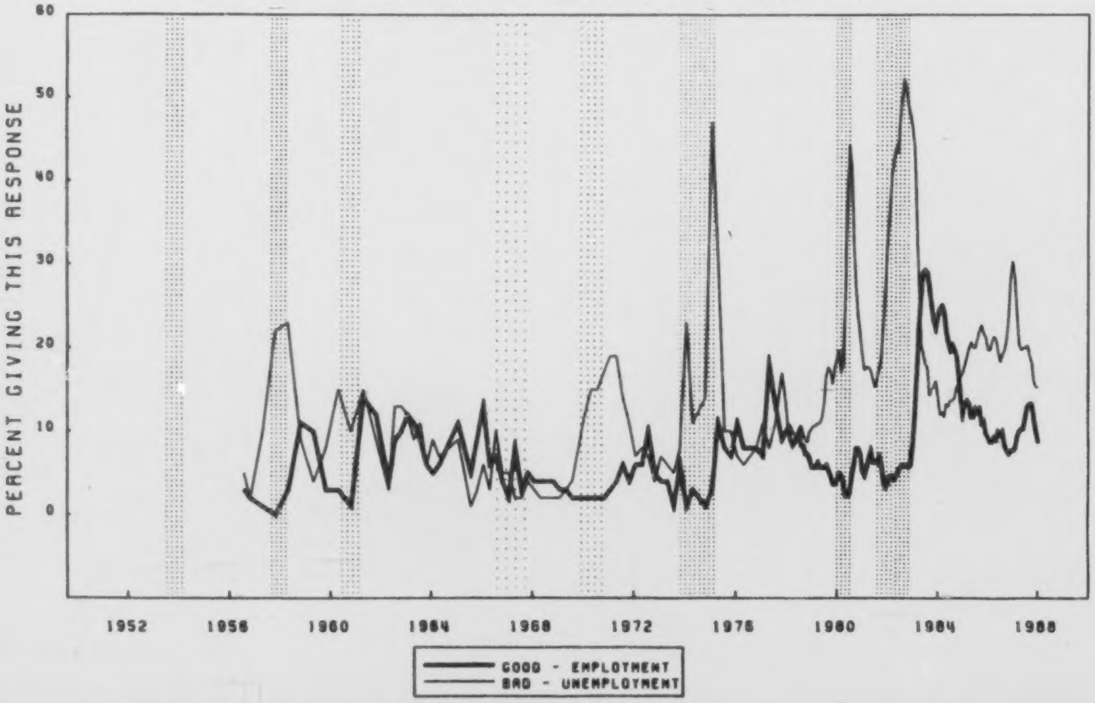


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
FAVORABLE NEWS:													
Government; elections	2%	2%	2%	3%	1%	2%	2%	3%	1%	*	*	1%	1%
Employment	7	10	11	9	11	11	13	15	12	13	10	7	9
Higher consumer demand	3	3	1	1	1	2	*	1	*	1	1	1	2
Lower prices	*	1	*	1	*	1	1	1	*	*	*	*	1
Easier credit	5	6	4	2	3	3	2	1	1	1	1	2	1
Stock market	4	6	3	3	1	2	2	3	2	3	2	1	*
Trade deficit	1	3	1	3	2	2	2	1	1	1	1	1	3
UNFAVORABLE NEWS:													
Government; elections	9	5	7	7	7	7	5	5	3	5	6	6	6
Unemployment	29	23	20	18	21	21	18	22	17	16	15	15	16
Lower consumer demand	2	3	2	2	2	3	3	2	1	3	5	4	4
Higher prices	1	2	3	3	3	4	4	3	1	1	1	2	4
Tighter credit	1	1	1	4	6	7	4	2	5	6	5	3	1
Stock market	1	1	2	3	1	3	2	2	2	11	38	32	21
Trade deficit	2	3	4	3	7	7	4	6	3	4	4	7	6

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

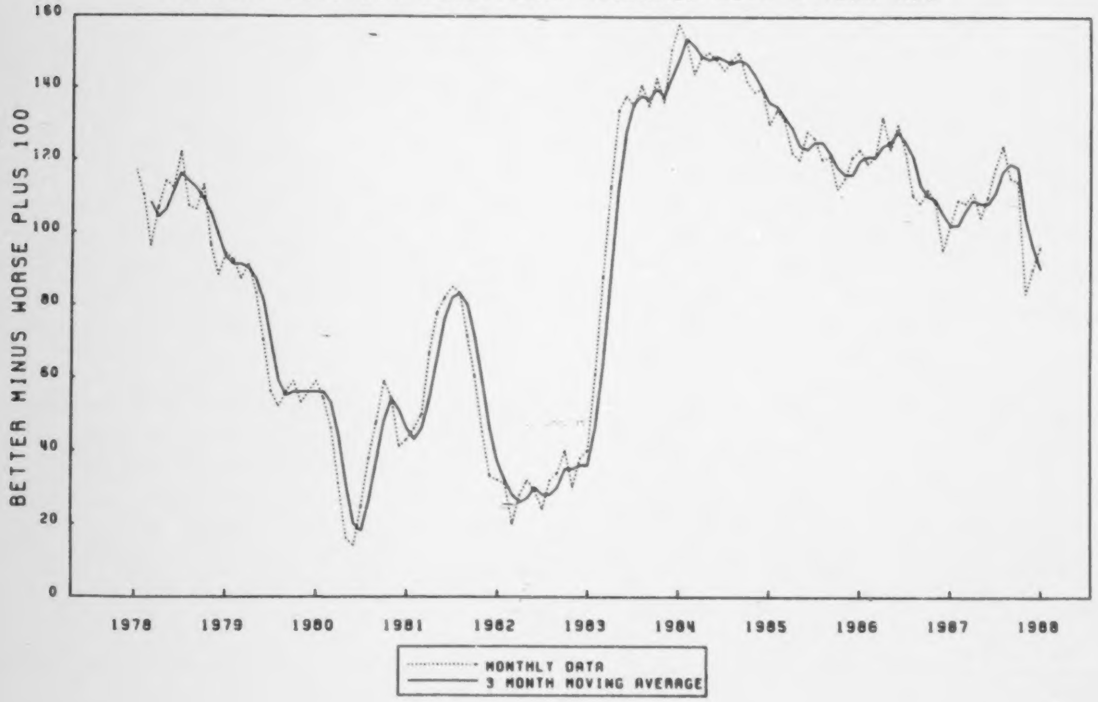


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

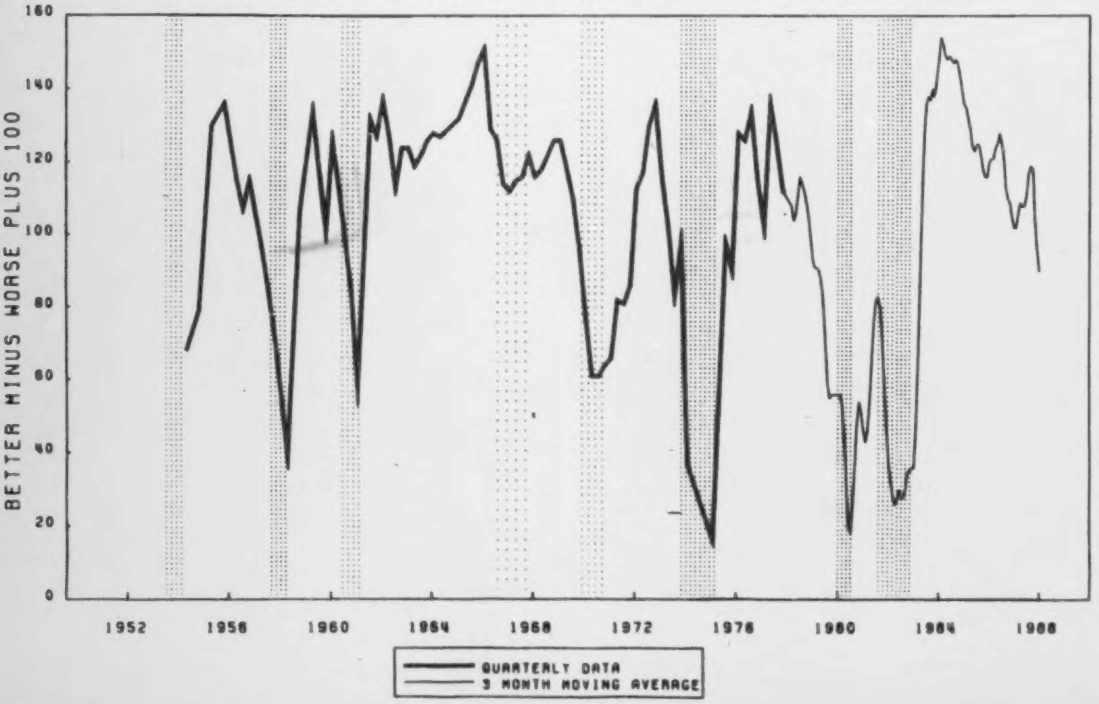


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
BETTER NOW	43%	47%	45%	46%	43%	46%	50%	54%	49%	49%	33%	36%	40%
SAME	14	14	17	17	16	16	16	14	14	14	16	15	14
WORSE NOW	41	38	37	35	39	36	32	30	34	35	50	46	44
DK,NA	2	1	1	2	2	2	2	2	3	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

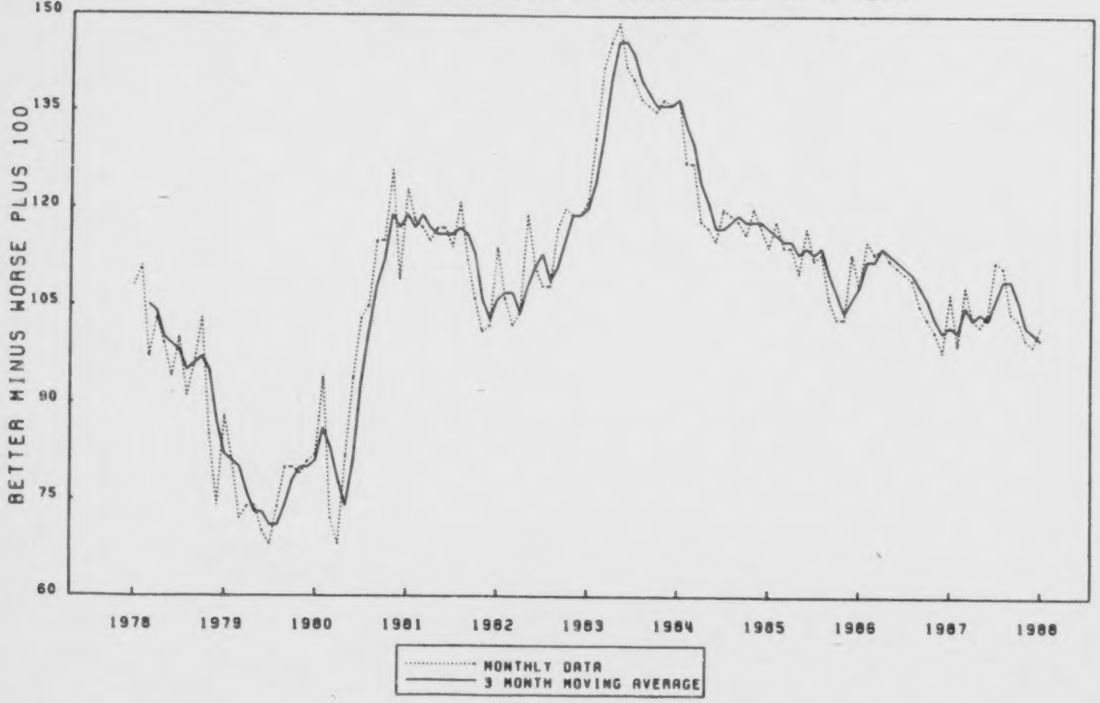


CHART 13 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

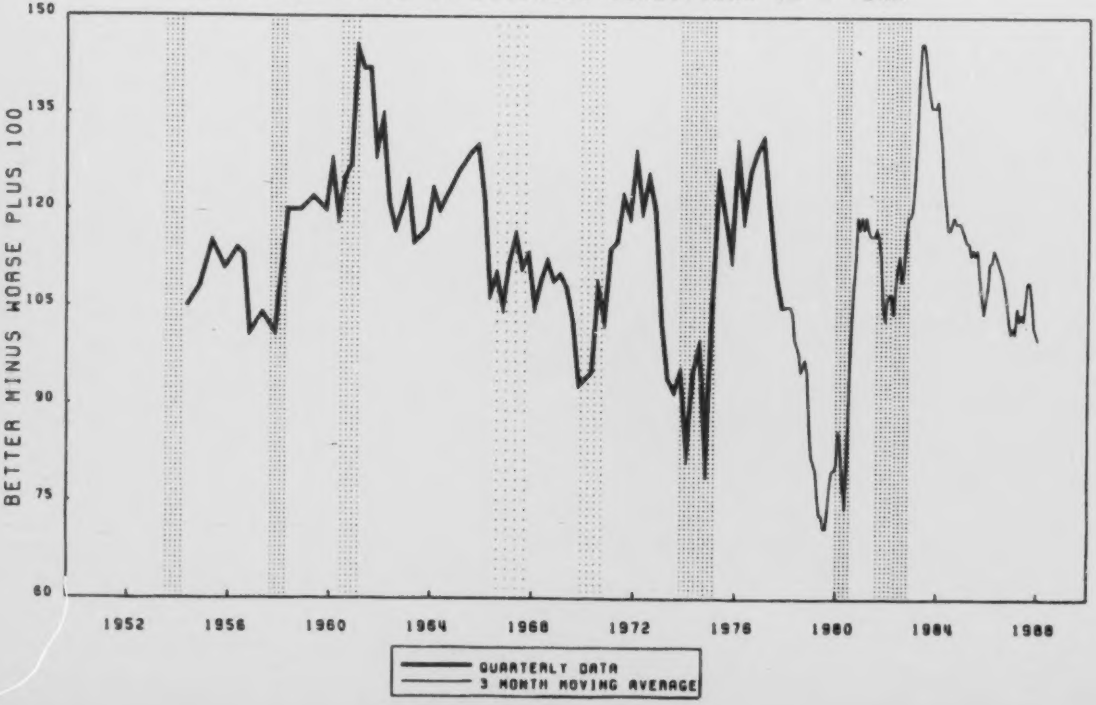


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
BETTER	24%	22%	22%	21%	22%	23%	26%	25%	21%	22%	23%	22%	21%
SAME	58	54	61	60	57	57	56	57	58	57	52	53	58
WORSE	17	23	14	18	20	19	14	14	17	19	23	23	19
DK,NA	1	1	3	1	1	1	4	4	4	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

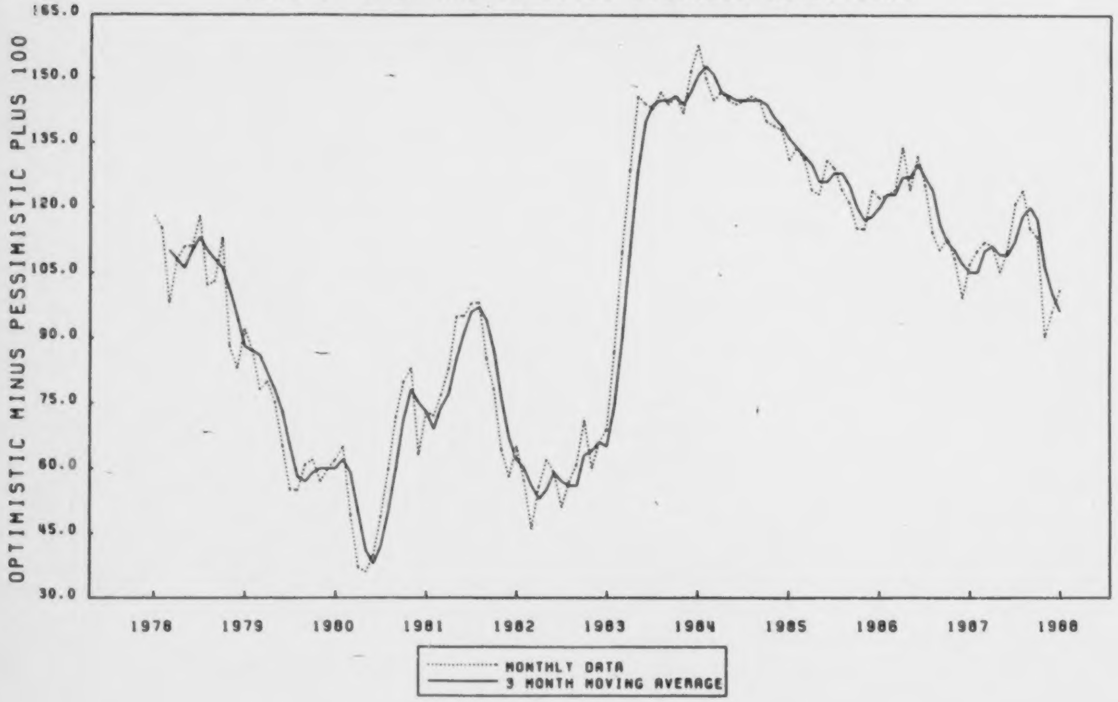


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

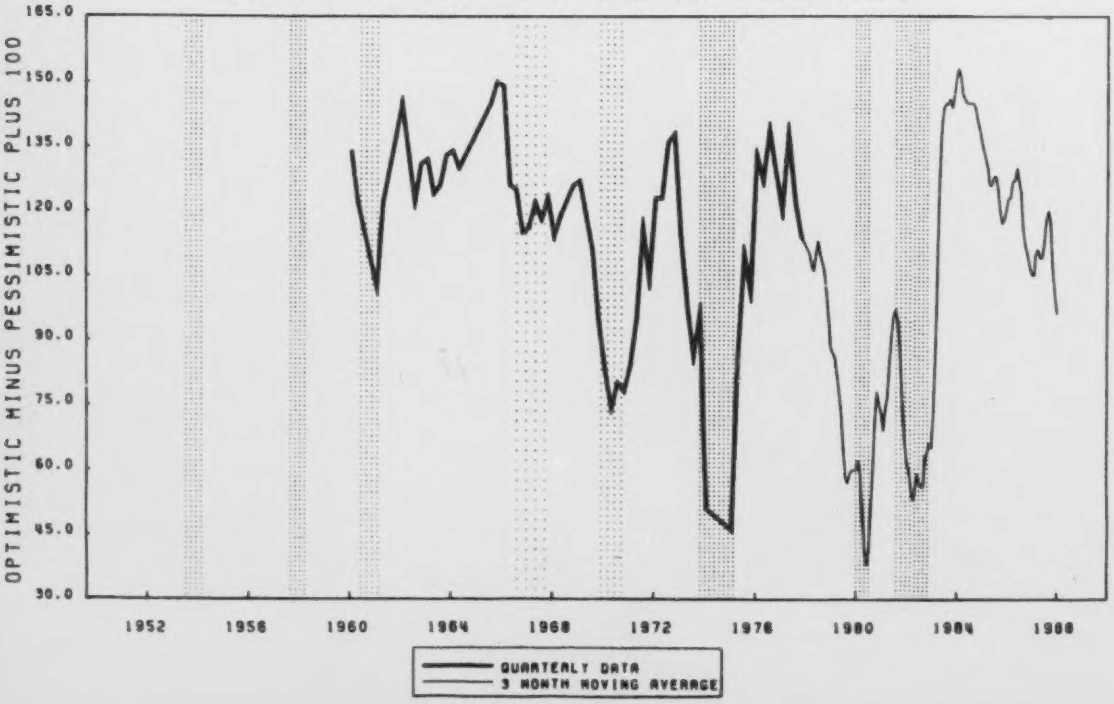


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
TREND:													
Continuous increase (a)	15%	14%	13%	13%	12%	14%	17%	19%	14%	16%	10%	10%	11%
Intermittant increase (b)	27	32	32	30	28	28	33	33	32	29	22	24	29
Remain unchanged (c)	10	7	11	11	10	11	9	9	9	10	10	10	8
Intermittant decline (d)	24	21	23	22	24	21	19	20	21	21	26	22	25
Continuous decline (e)	11	15	10	10	11	11	10	8	10	11	16	16	14
Mixed change (f)	10	9	7	10	12	12	7	6	9	10	14	13	10
DK,NA	3	2	4	4	3	3	5	5	5	3	2	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

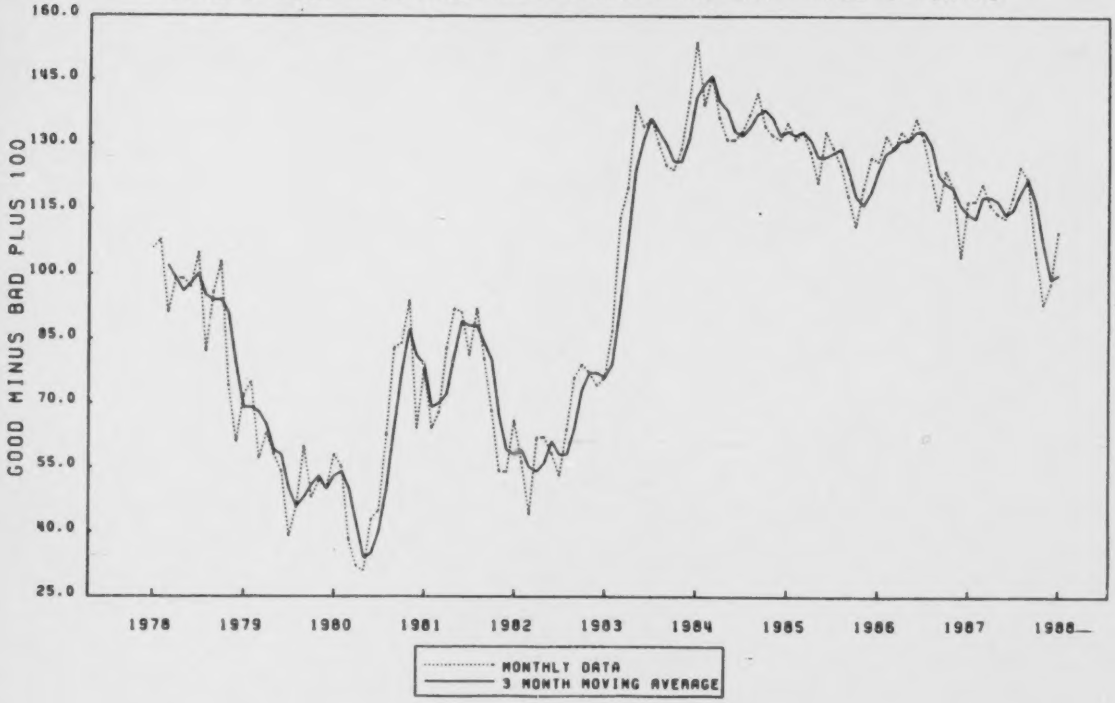


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

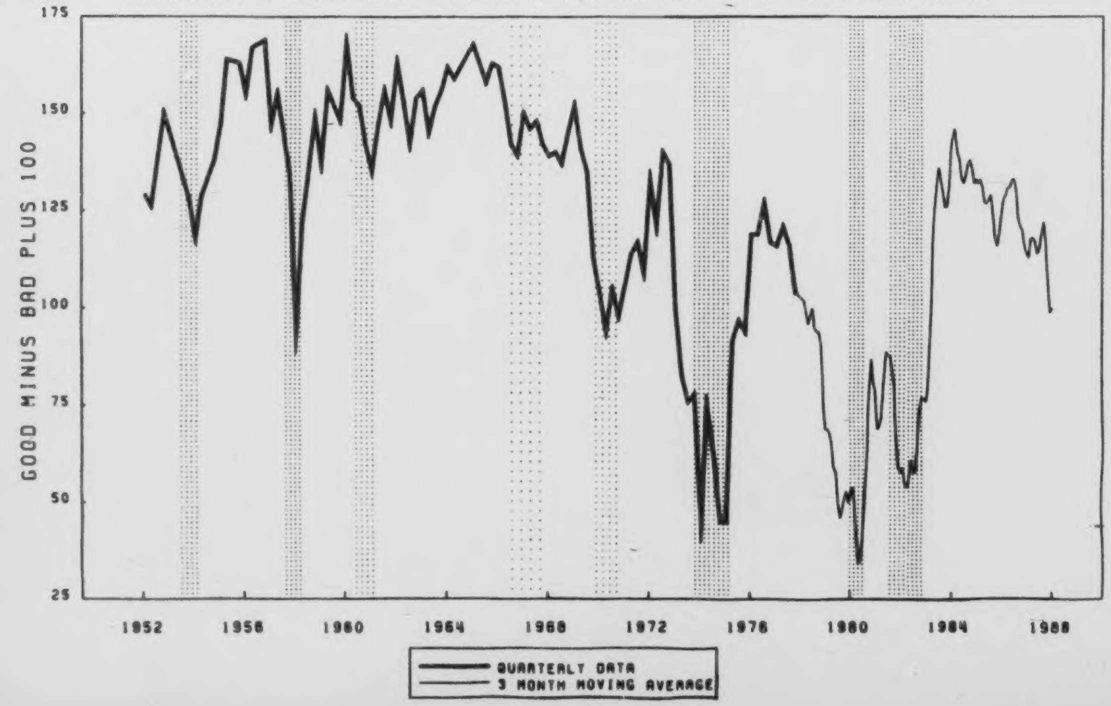


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIMES	53%	53%	55%	51%	51%	50%	51%	55%	51%	43%	38%	41%	47%
UNCERTAIN; GOOD & BAD	3	1	2	2	1	2	2	3	5	3	2	4	4
BAD TIMES	36	36	34	35	37	37	33	30	29	38	45	43	37
DON'T KNOW	4	5	5	8	5	5	7	7	7	7	8	6	7
NOT ASCERTAINED	4	5	4	4	6	6	7	5	8	9	7	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

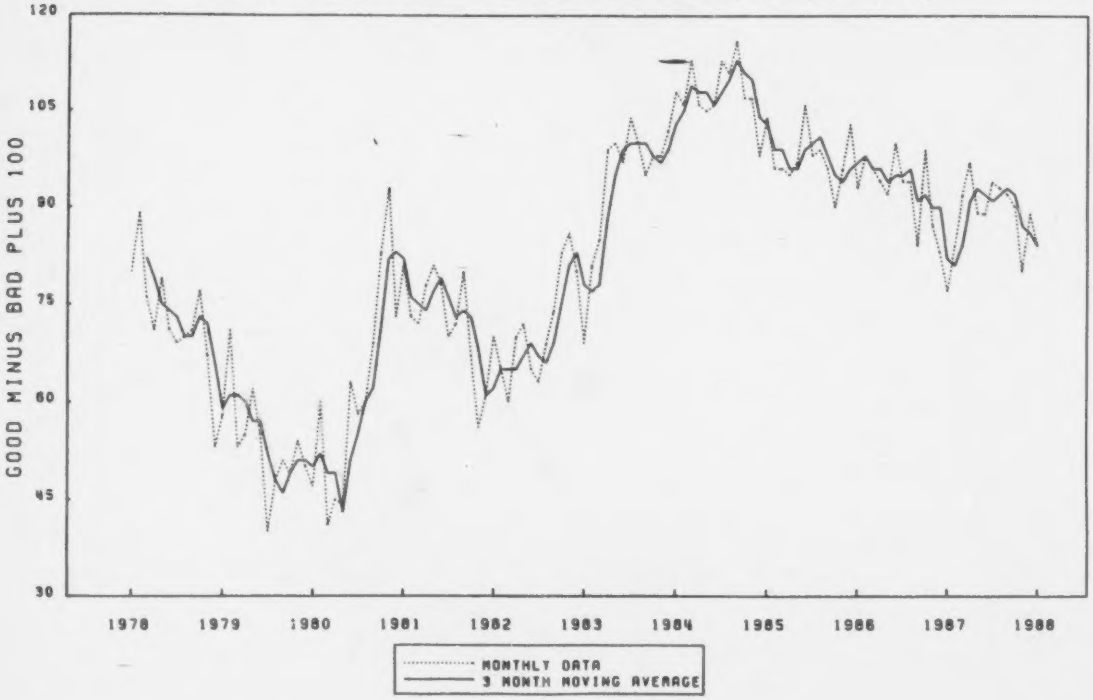


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

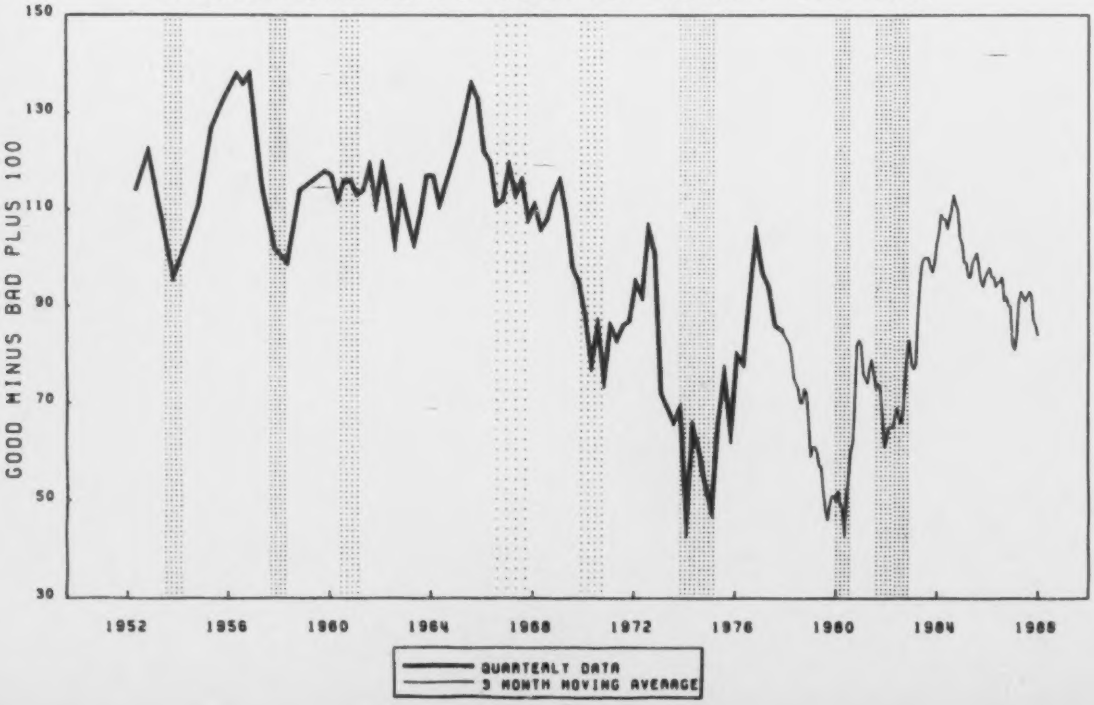


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIMES	30%	34%	39%	41%	36%	37%	36%	36%	37%	36%	31%	33%	34%
UNCERTAIN; GOOD & BAD	13	12	10	9	13	9	15	16	13	12	13	16	12
BAD TIMES	53	50	47	44	47	48	42	43	45	46	51	44	50
NOT ASCERTAINED	4	4	4	6	4	6	7	5	5	6	5	7	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

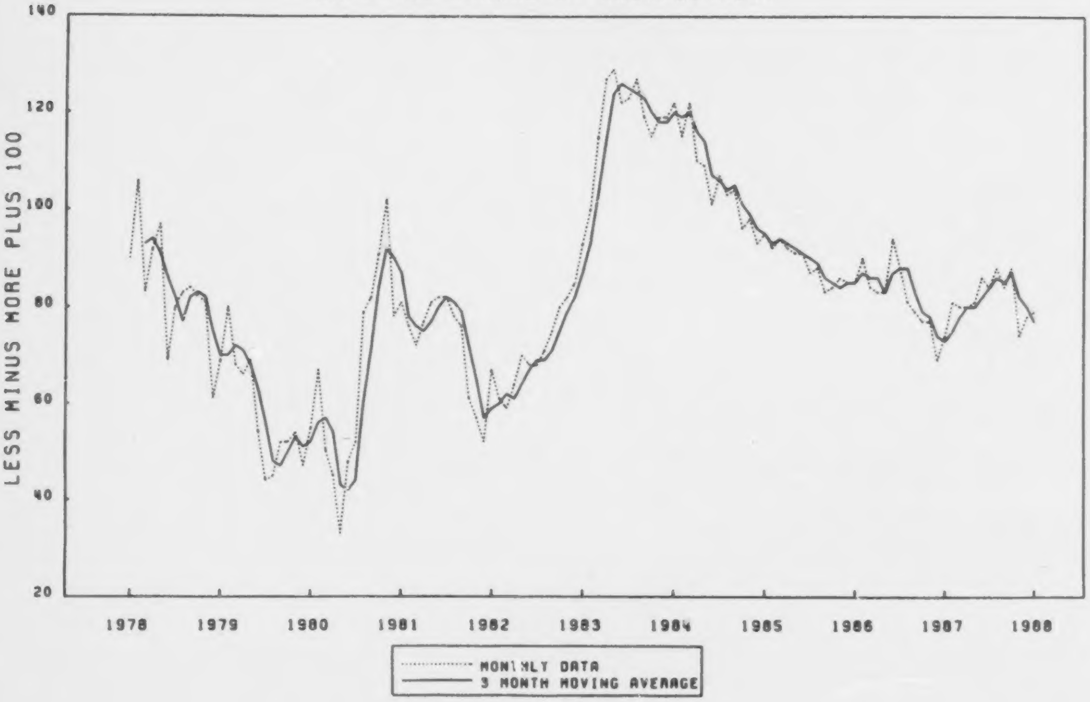


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

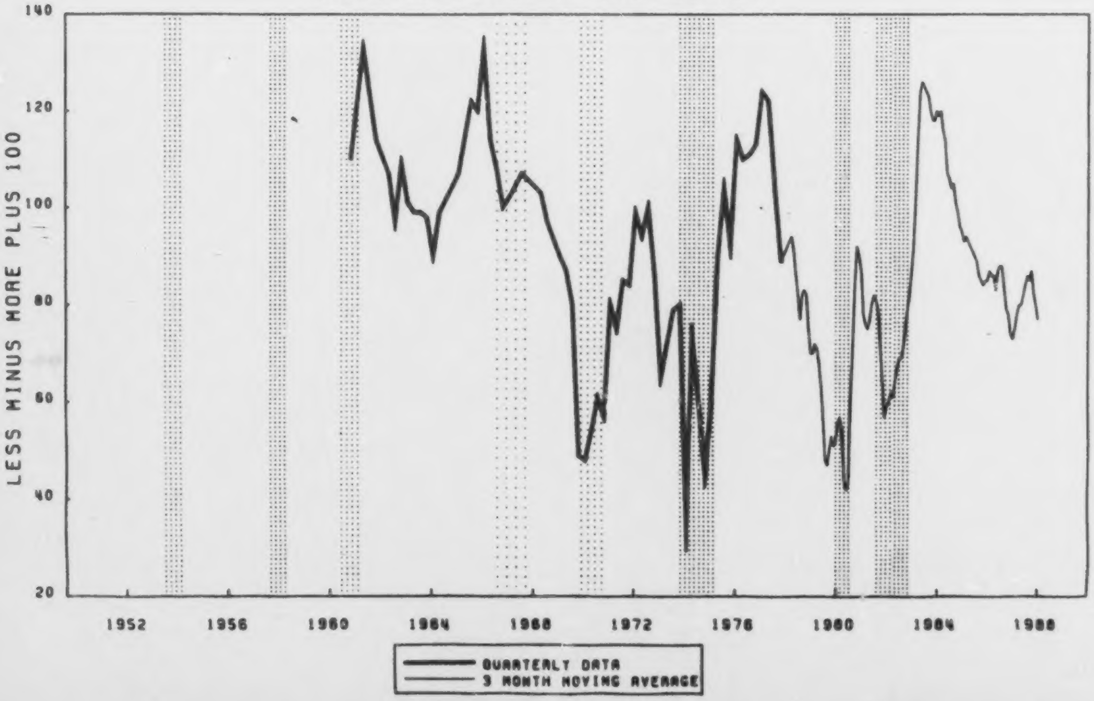


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
LESS	12%	14%	15%	13%	13%	16%	14%	15%	13%	17%	10%	12%	12%
SAME	49	52	48	52	53	52	55	56	57	52	53	51	54
MORE	38	33	35	33	32	30	30	27	29	29	36	34	33
DK,NA	1	1	2	2	2	2	1	2	1	2	1	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

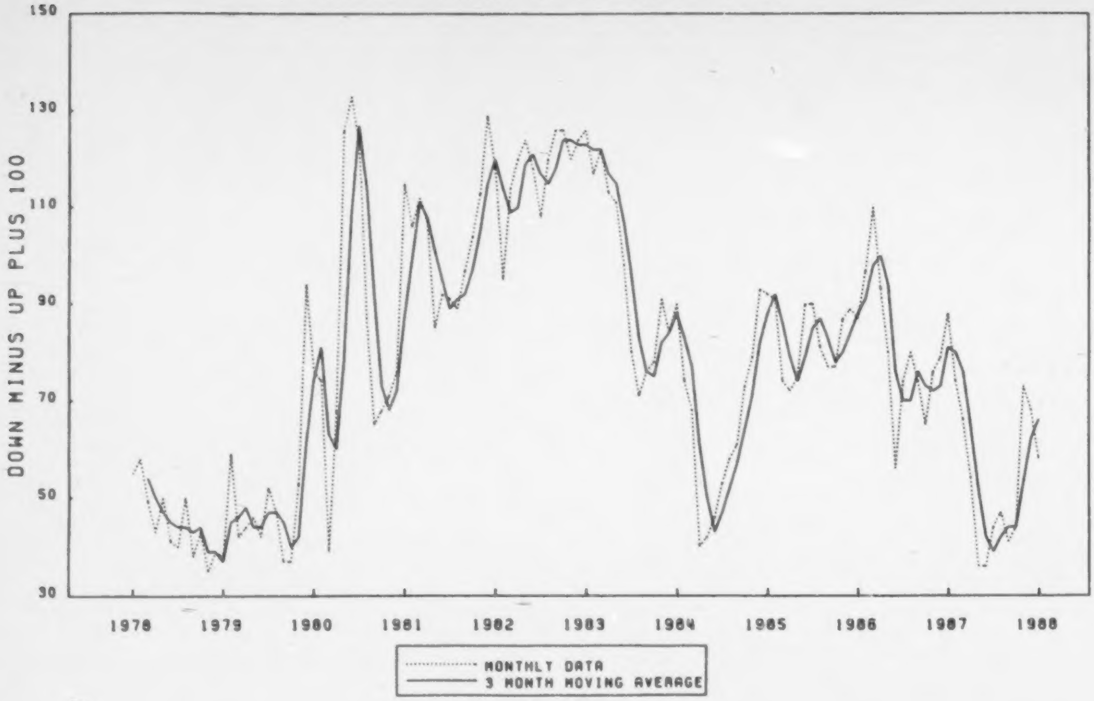


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

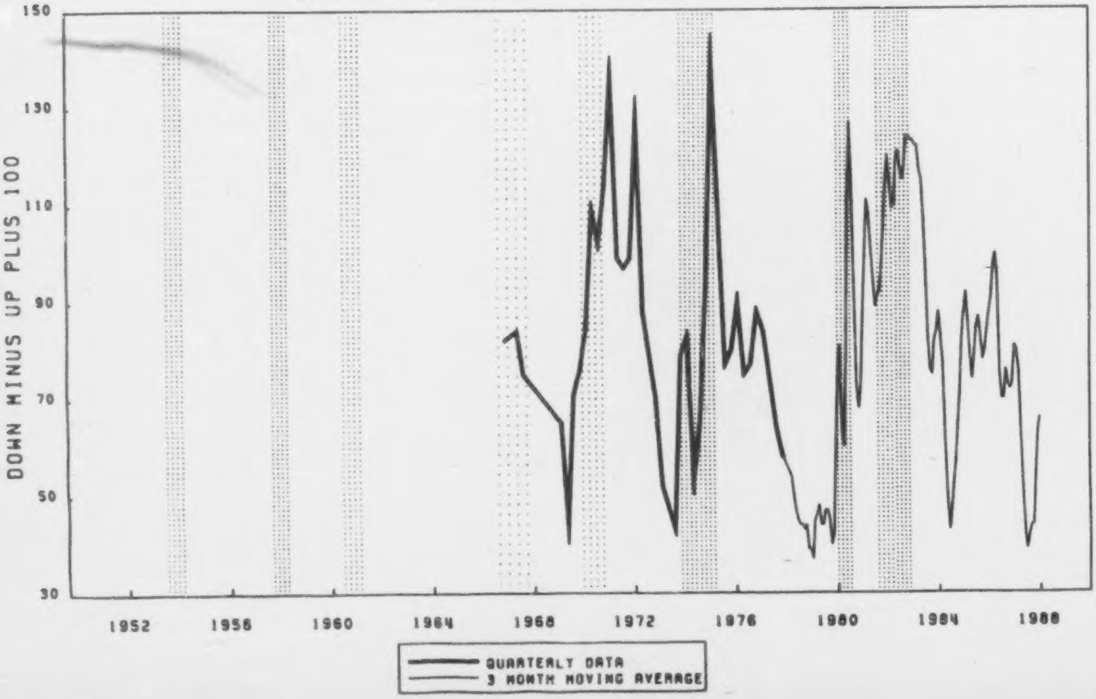


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GO UP	37%	43%	49%	57%	71%	69%	64%	62%	66%	67%	49%	52%	54%
STAY THE SAME	35	38	33	29	21	24	26	27	24	20	26	26	32
GO DOWN	25	17	15	11	7	5	8	9	7	11	22	20	12
DK,NA	3	2	3	3	1	2	2	2	3	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

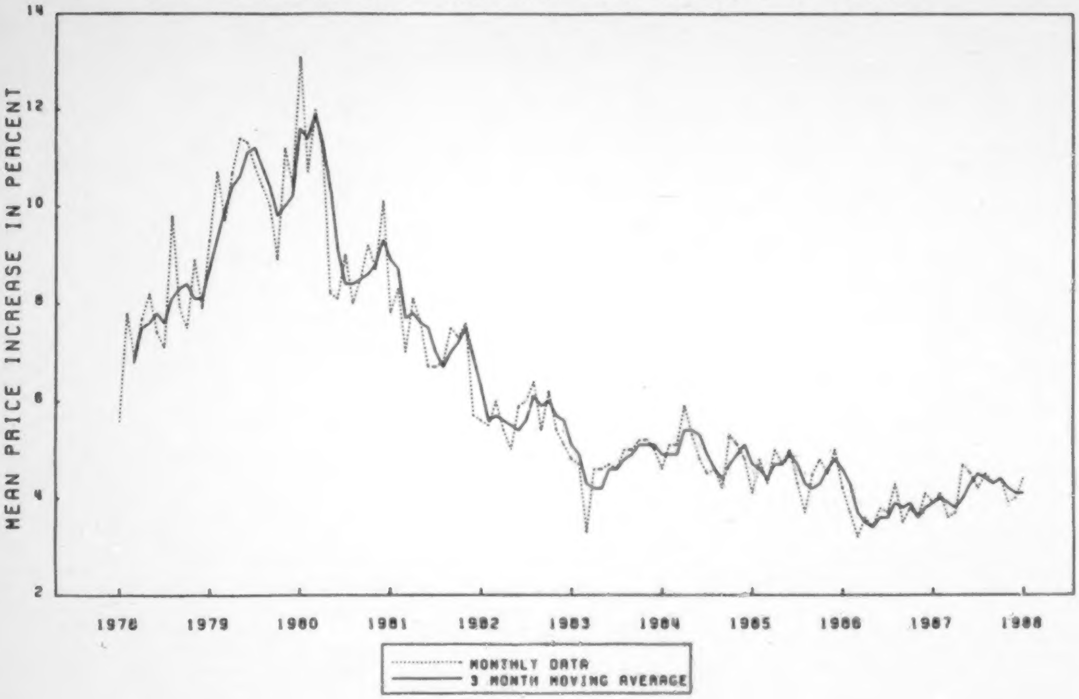


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

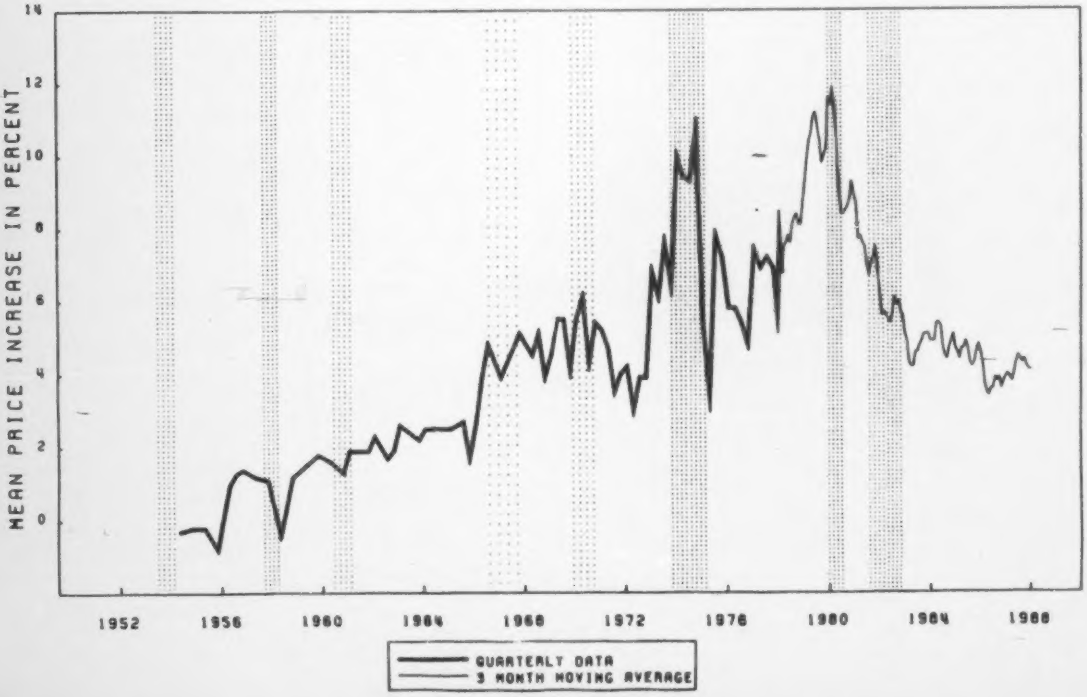


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
SAME OR DOWN	20%	21%	21%	19%	15%	14%	17%	13%	17%	15%	20%	21%	23%
WILL GO UP BY:													
1-2%	18	17	19	19	18	18	20	20	20	18	16	19	16
3-4%	24	21	21	23	23	25	23	25	24	23	22	21	21
5%	14	18	18	16	18	17	16	17	16	20	20	15	17
6-9%	6	5	6	8	10	7	7	8	6	7	8	8	6
10-14%	7	9	5	7	7	8	9	6	7	8	5	8	7
15% or more	4	4	3	2	4	4	3	4	3	3	4	3	6
DK how much up	6	5	6	6	4	6	4	6	5	5	4	4	3
DK,NA	1	*	1	*	1	1	1	1	2	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.9	4.1	3.6	3.7	4.7	4.5	4.2	4.5	4.3	4.4	3.9	4.0	4.4
VARIANCE	25	26	18	21	36	27	28	32	41	28	25	26	35
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

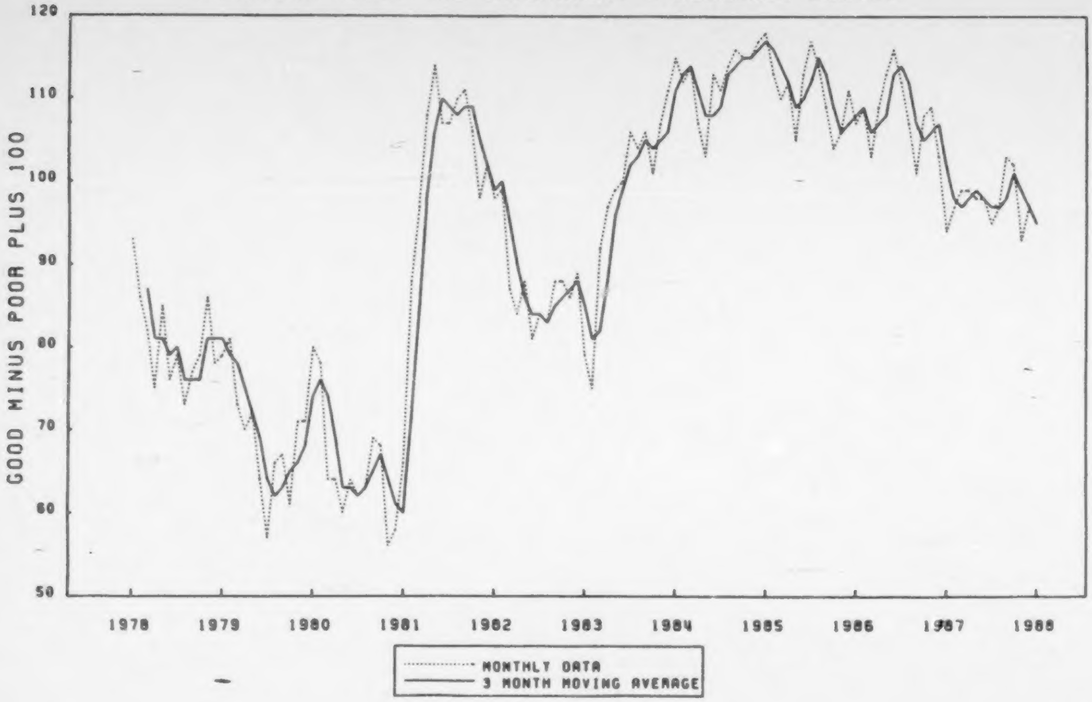


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

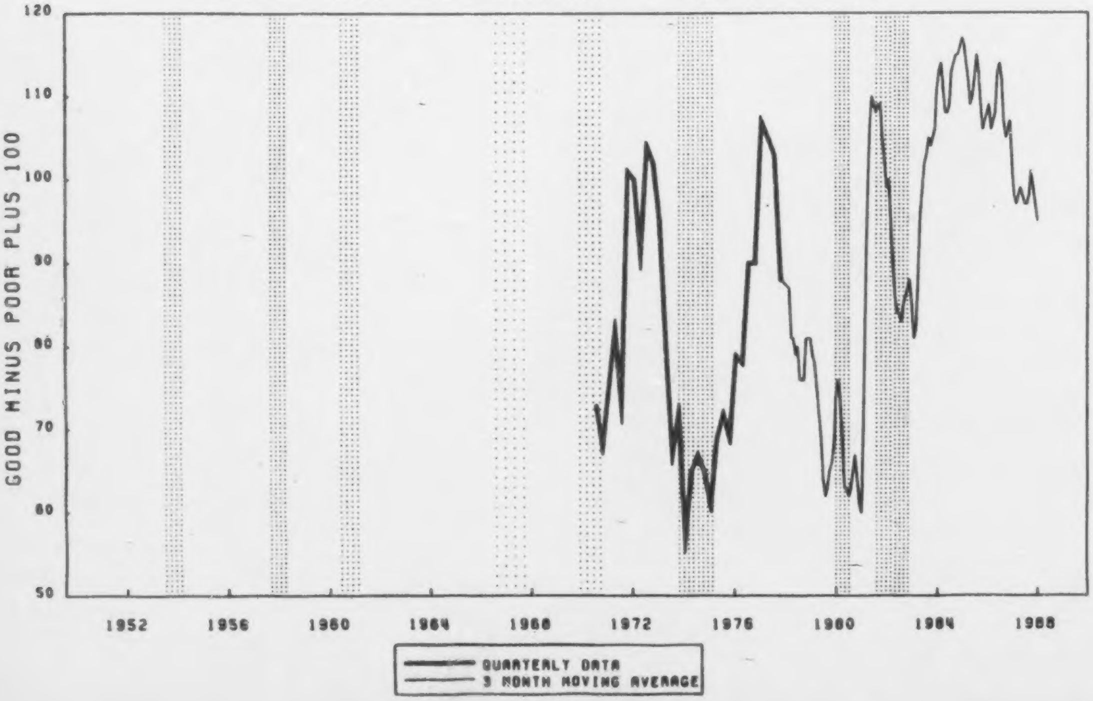


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
A GOOD JOB	20%	23%	23%	21%	21%	23%	21%	23%	23%	25%	18%	19%	17%
ONLY FAIR	52	49	52	55	55	49	52	48	54	48	54	56	60
A POOR JOB	26	26	24	22	23	25	26	26	20	23	25	22	22
DK,NA	2	2	1	2	1	3	1	3	3	4	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

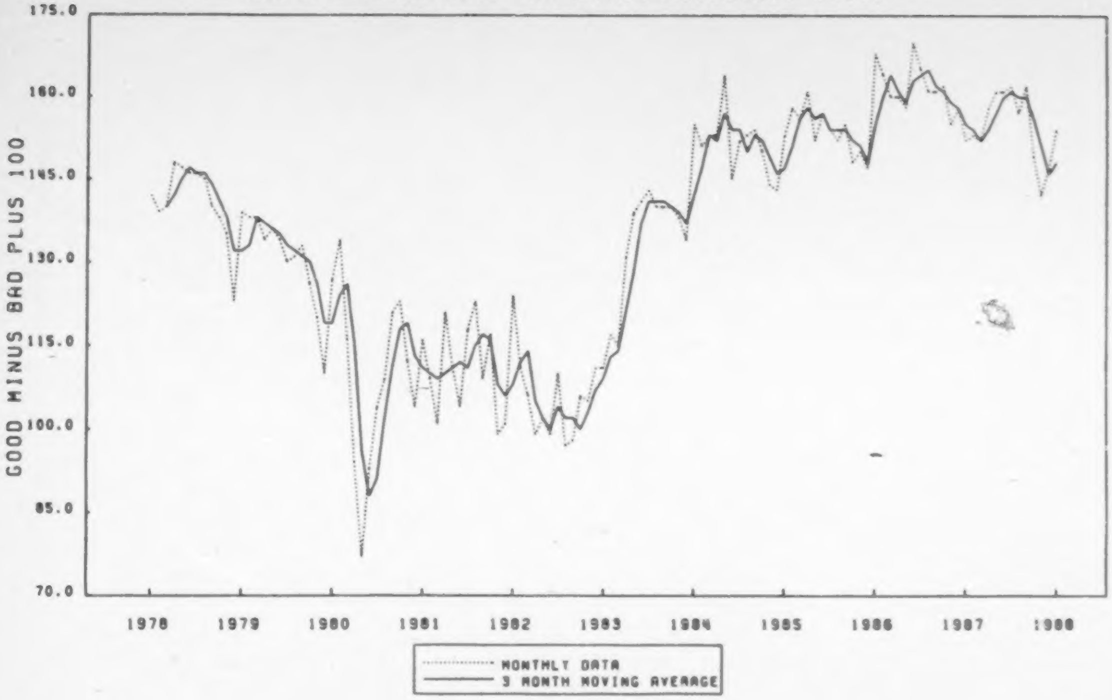


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

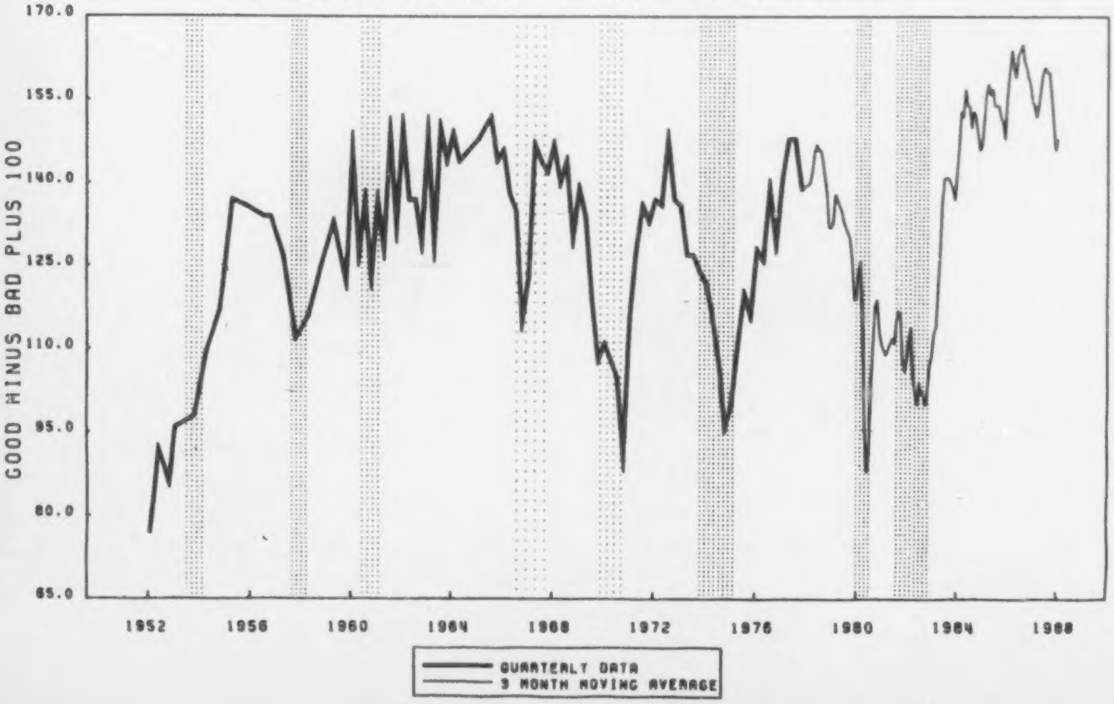


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIME TO BUY	72%	73%	71%	74%	76%	76%	76%	74%	75%	69%	66%	69%	72%
UNCERTAIN, DEPENDS	8	7	10	10	9	9	10	9	12	11	10	9	10
BAD TIME TO BUY	20	20	19	16	15	15	14	17	13	20	24	22	18
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

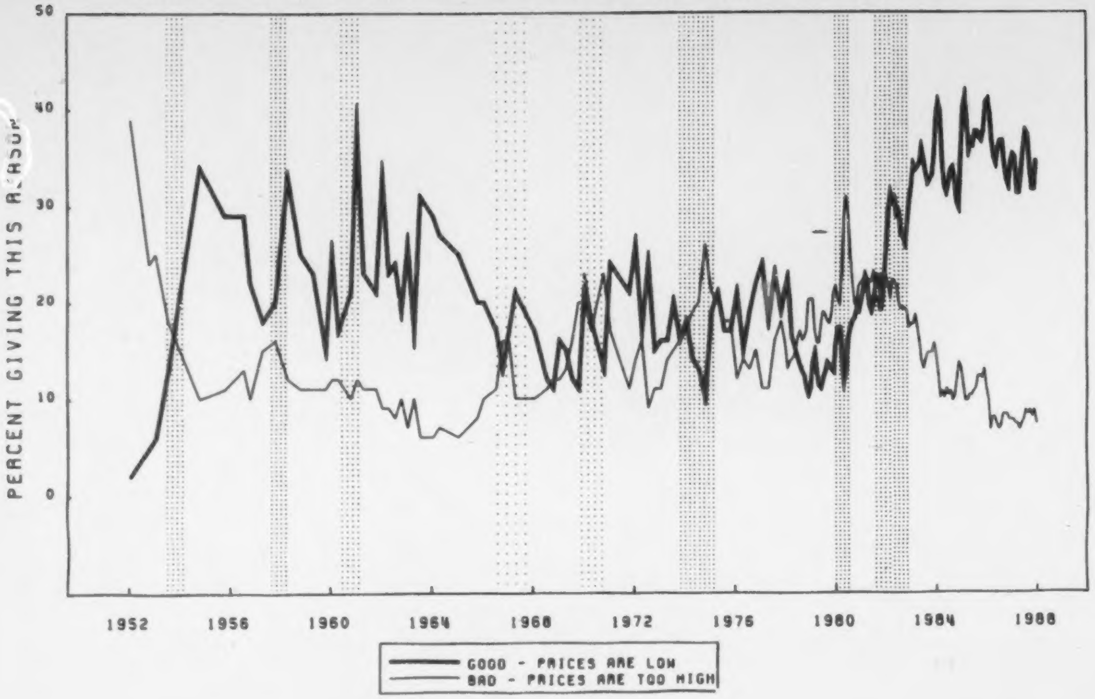


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

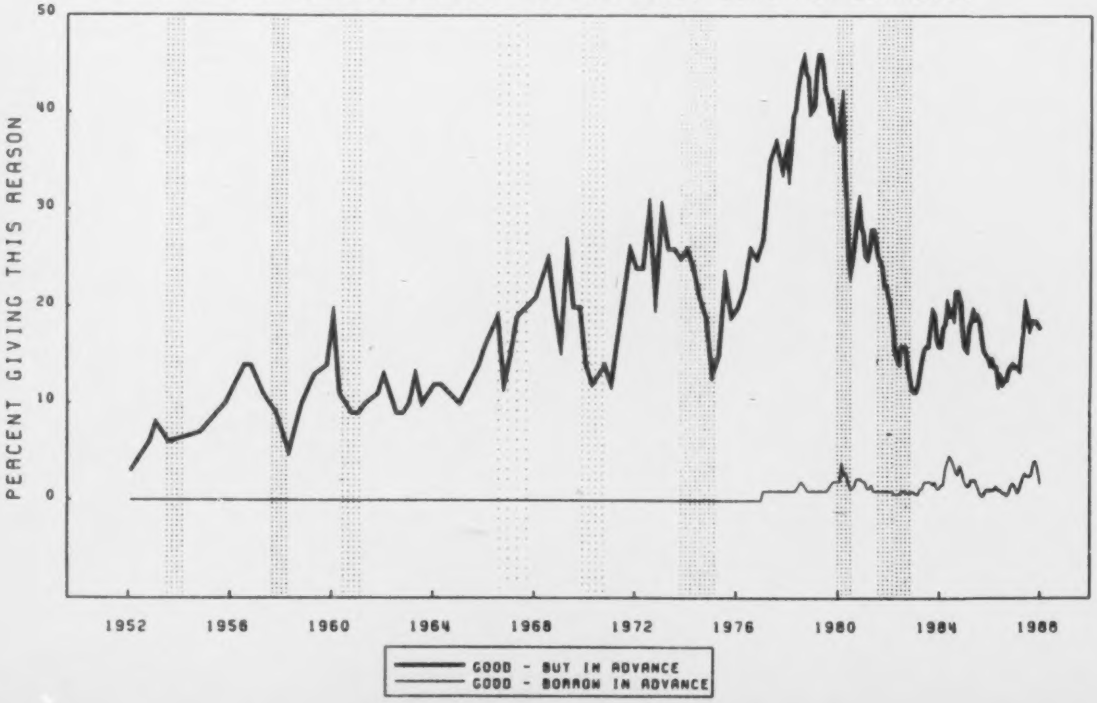


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	40%	33%	32%	29%	33%	38%	37%	38%	37%	28%	30%	37%	37%
Prices won't come down; are going higher	13	14	14	20	20	21	17	16	23	17	16	22	16
Interest rates low	19	20	21	18	16	12	11	15	11	9	11	8	6
Borrow-in-advance rates	1	1	2	3	3	3	2	3	4	6	3	1	2
Times are good; prosperity	6	6	6	7	6	5	6	6	6	7	4	4	6
BAD TIME TO BUY:													
Prices are high	7	8	7	7	6	9	8	9	8	9	7	10	5
Interest rates are high; credit is tight	3	4	4	3	3	3	3	4	4	4	8	6	4
Times are bad; can't afford to buy	7	5	6	4	3	4	3	5	2	6	4	4	8
Bad times ahead; uncertain future	1	2	2	1	2	2	2	1	1	4	10	5	4

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

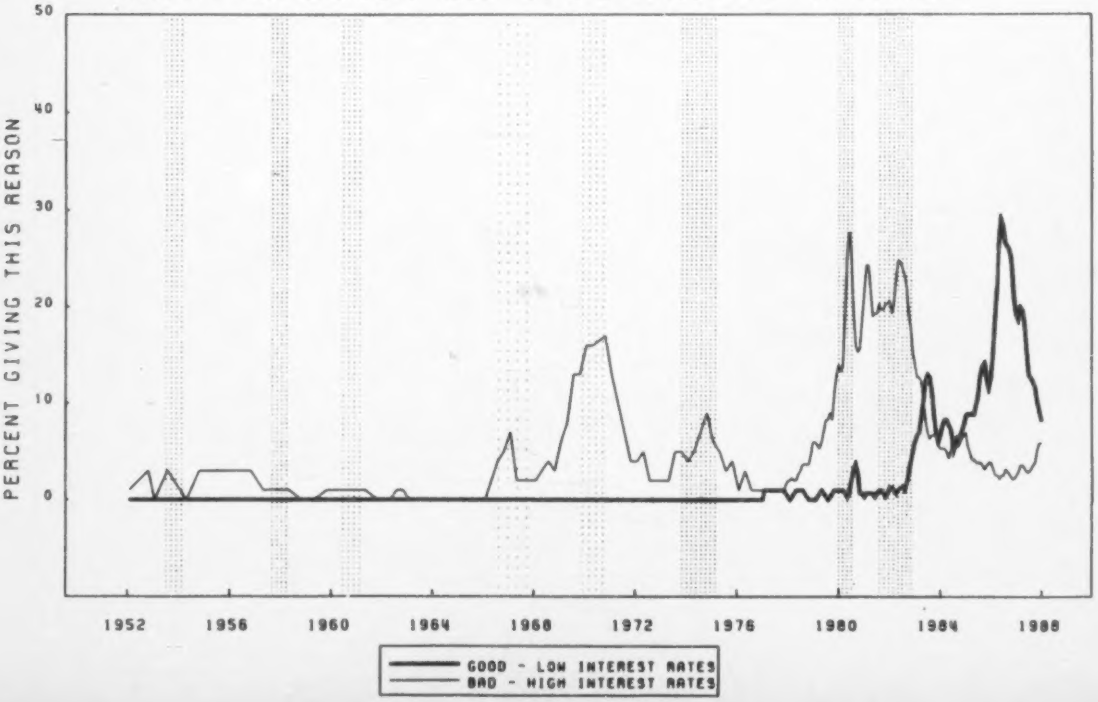


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

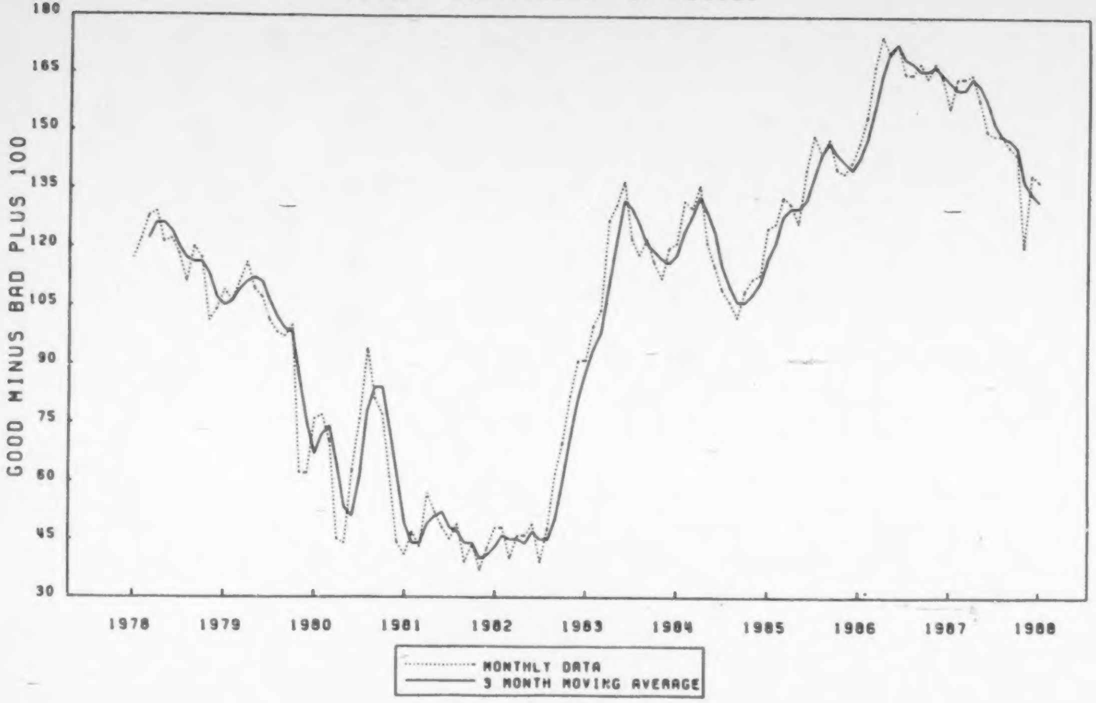


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

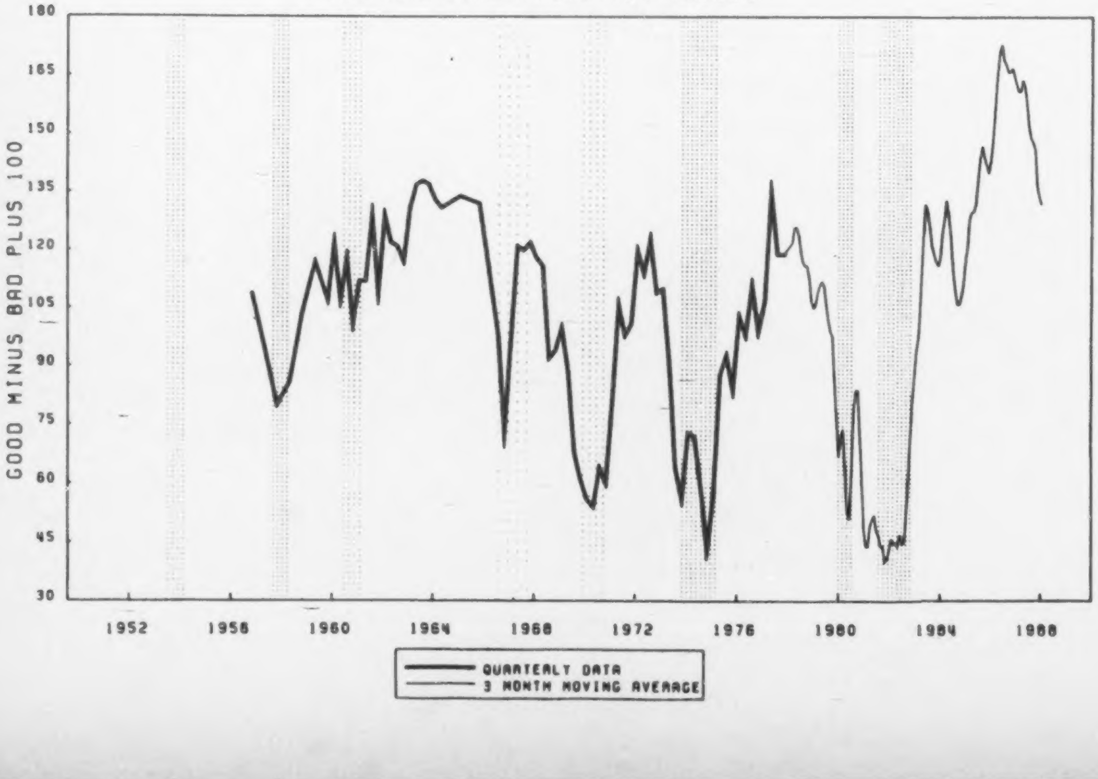


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIME TO BUY	76%	81%	80%	82%	77%	73%	72%	73%	71%	70%	58%	68%	67%
UNCERTAIN, DEPENDS	4	2	4	1	4	4	5	3	4	4	4	3	3
BAD TIME TO BUY	20	17	16	17	19	23	23	24	25	26	38	29	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

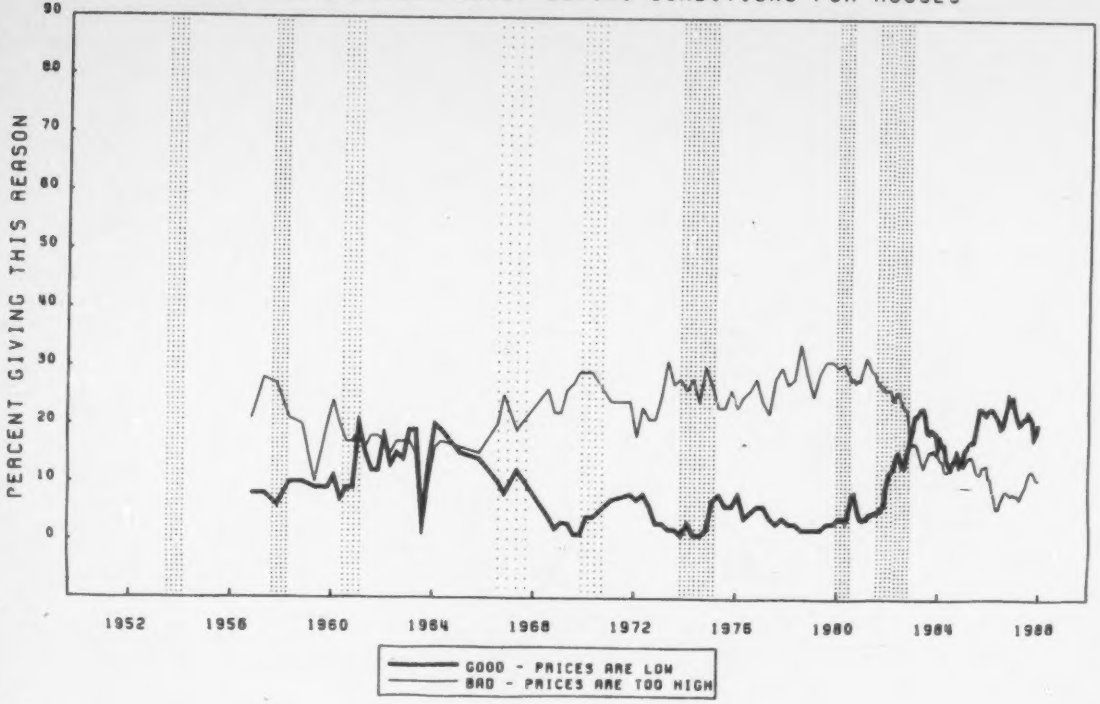


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

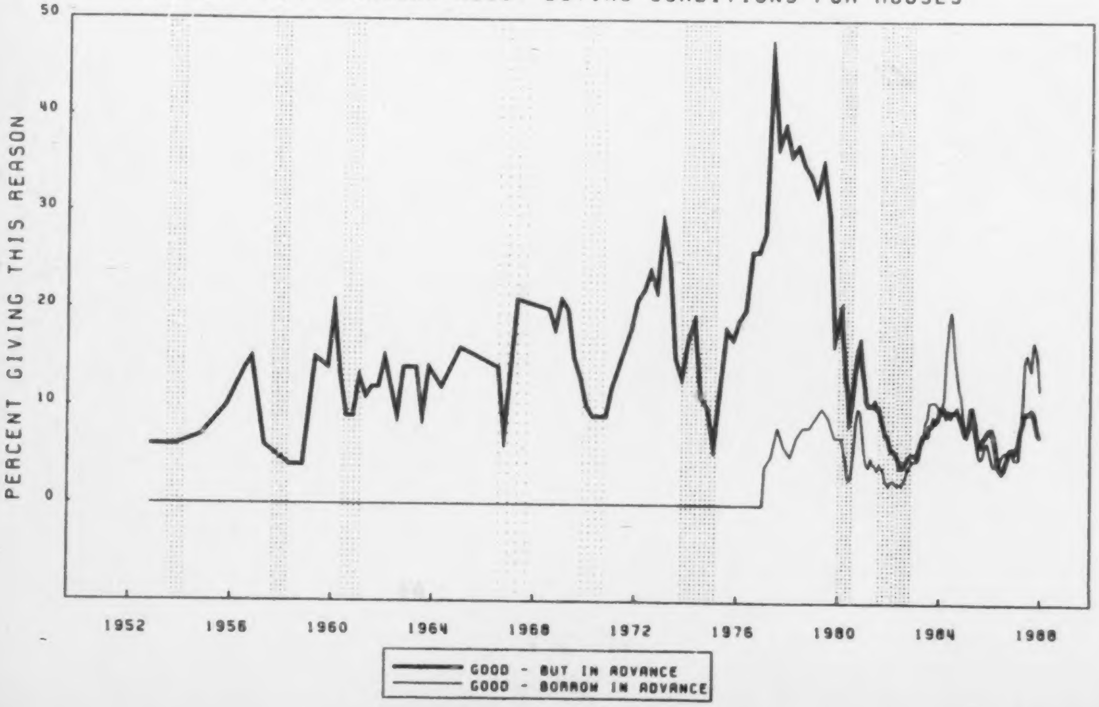


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	24%	21%	19%	21%	22%	21%	21%	25%	19%	19%	16%	21%	24%
Prices won't come down; are going higher	5	7	8	9	9	11	9	9	12	8	6	9	7
Interest rates low	65	68	66	60	50	45	46	44	37	33	32	40	35
Borrow-in-advance rates	4	6	5	11	16	18	13	13	16	22	11	12	13
Good investment	6	3	6	7	5	5	6	7	7	6	7	9	7
Times are good; prosperity	1	2	5	2	4	2	4	2	5	3	3	3	3
BAD TIME TO BUY:													
Prices are high	10	6	8	8	9	10	10	13	13	11	11	10	11
Interest rates are high; credit is tight	7	6	6	4	9	12	12	10	13	18	19	13	13
Times are bad; can't afford to buy	8	5	6	5	5	5	4	5	5	7	5	7	10
Bad times ahead; uncertain future	1	3	1	3	2	3	1	3	3	4	13	7	5

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

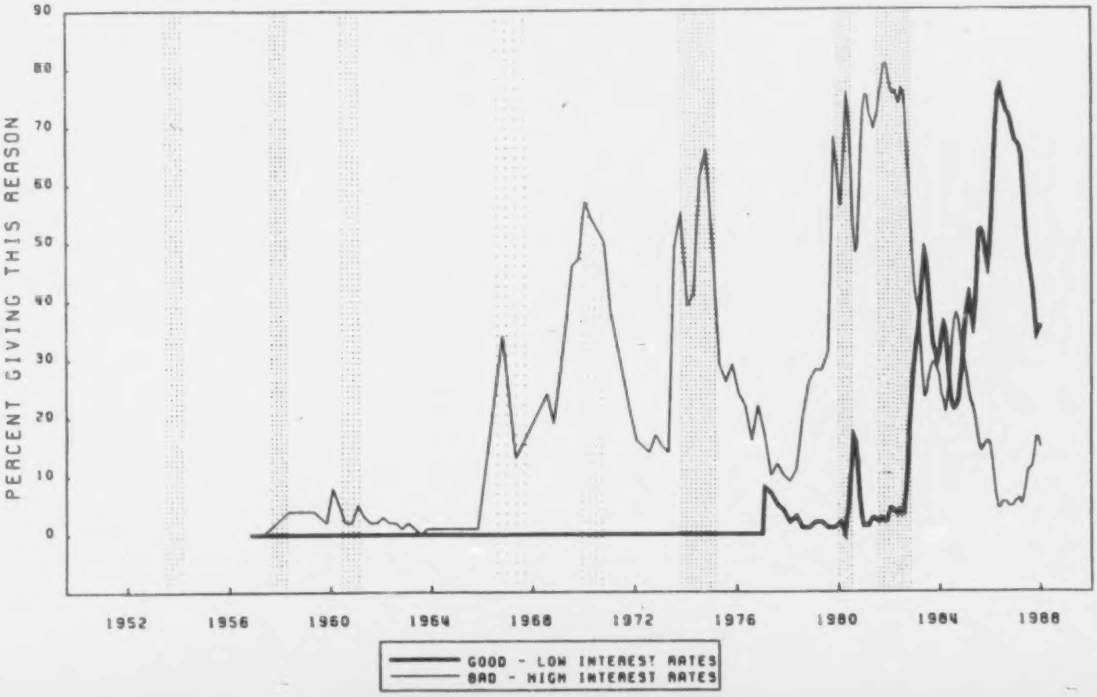


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

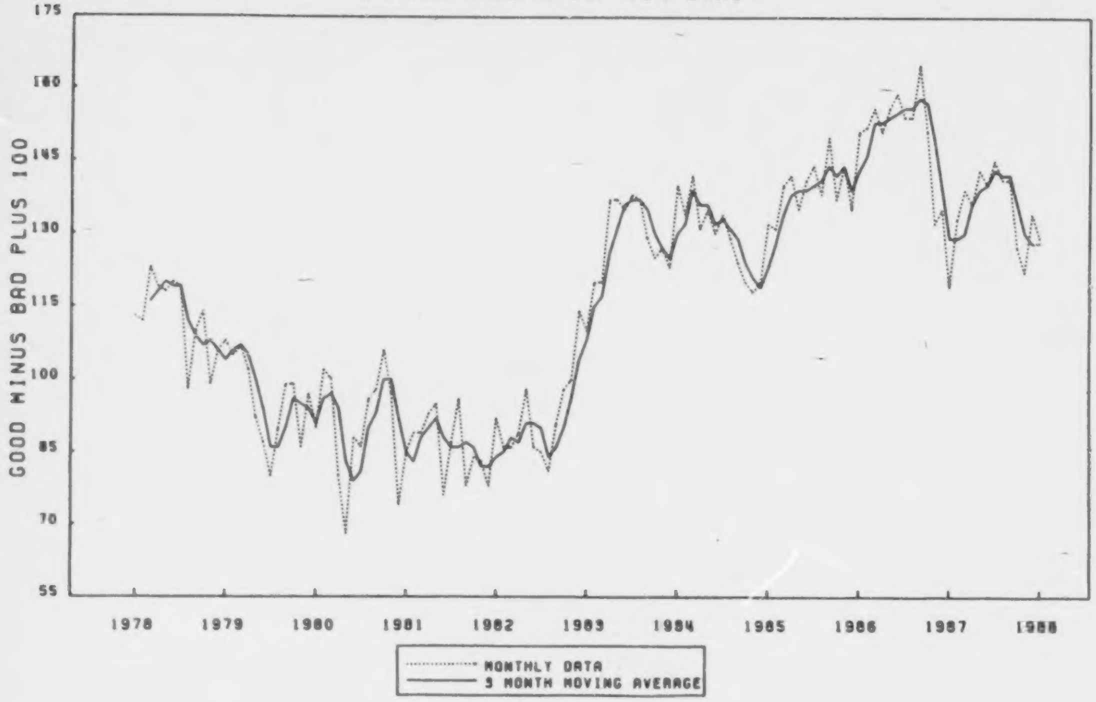


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

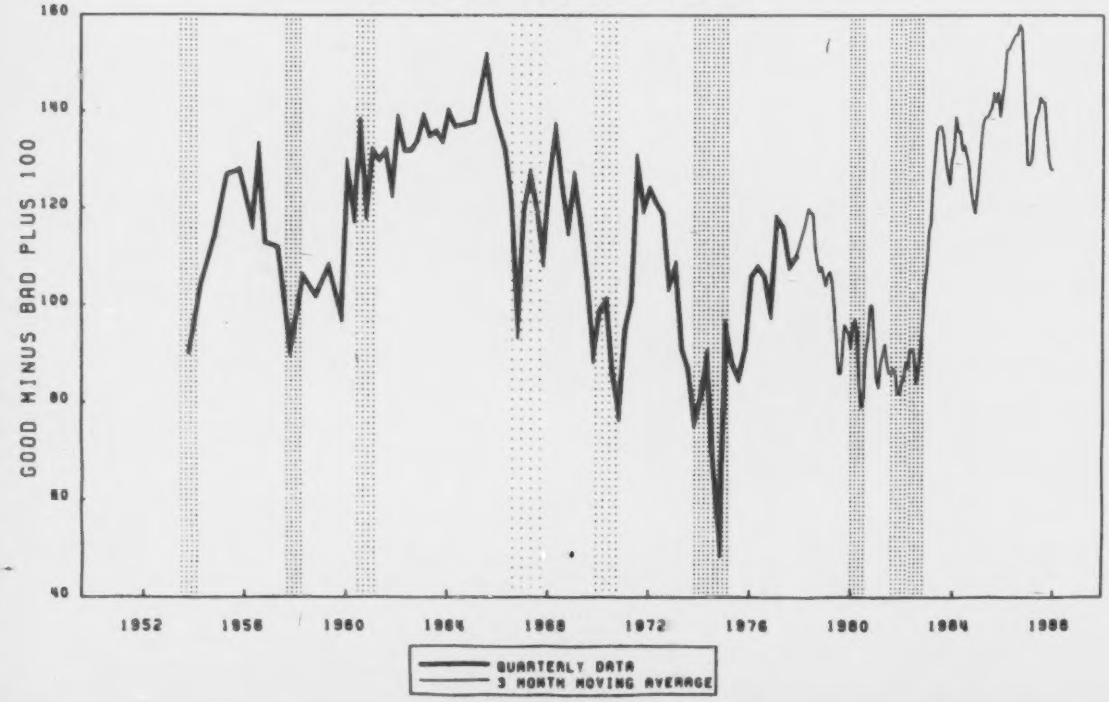


TABLE 25

BUYING CONDITIONS FOR CARS

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIME TO BUY	55%	62%	66%	64%	67%	65%	67%	66%	66%	58%	57%	64%	59%
UNCERTAIN; DEPENDS	9	9	7	8	9	10	11	9	9	11	8	6	11
BAD TIME TO BUY	36	29	27	28	24	25	22	25	25	31	35	30	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	657	652	652	651	654	651	654	650	500	501	500	502

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

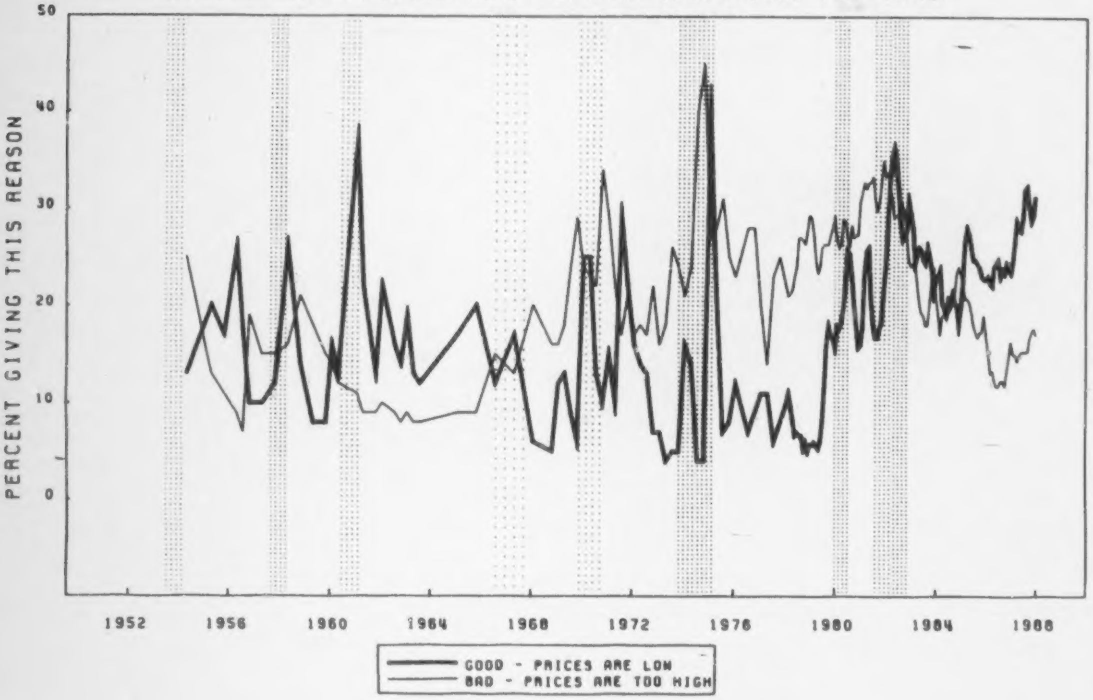


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

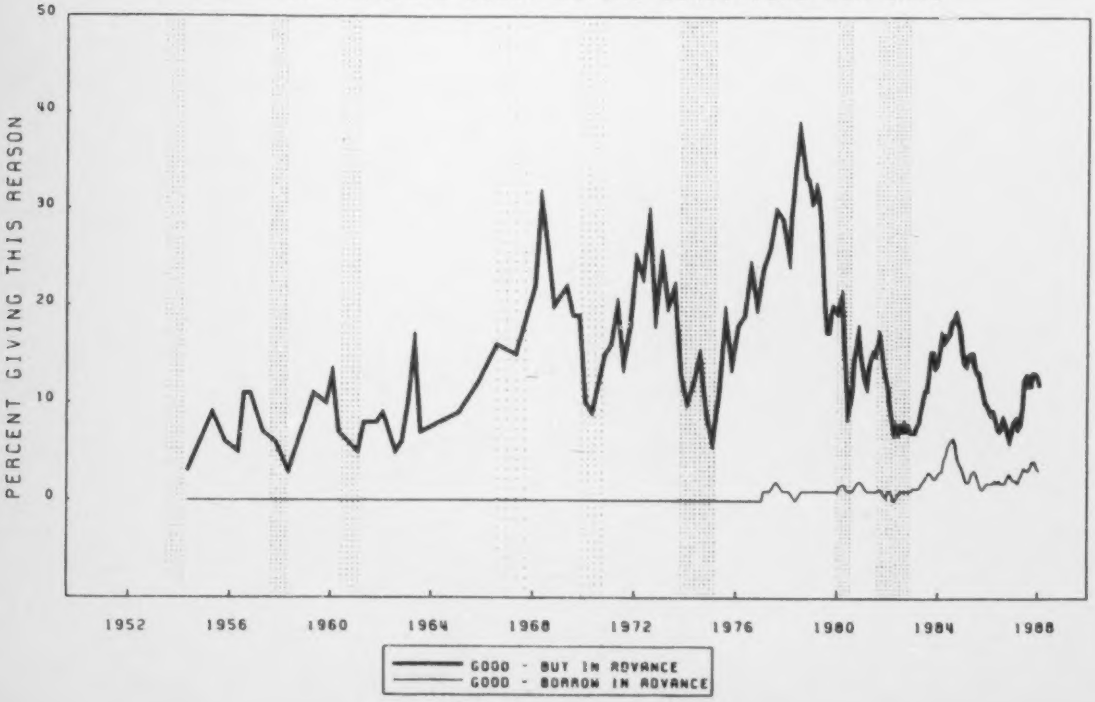


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	29%	29%	28%	27%	28%	32%	36%	29%	26%	31%	31%	32%
Prices won't come down; are going higher	8	8	6	9	13	15	10	10	15	14	10	14	11
Interest rates low	32	36	43	37	37	35	28	35	36	22	21	21	20
Borrow-in-advance rates	2	2	1	4	3	3	3	3	4	5	3	2	4
Times are good; prosperity	3	2	1	3	2	*	3	2	2	4	2	2	3
BAD TIME TO BUY:													
Prices are high	17	13	15	15	15	16	15	15	16	19	17	17	17
Interest rates are high; credit is tight	6	4	4	2	6	5	5	5	4	7	10	9	5
Times are bad; can't afford to buy	5	3	3	3	3	3	3	3	3	3	4	4	5
Bad times ahead; uncertain future	1	3	2	2	2	1	1	*	1	3	9	4	3
Poor selection; quality	2	2	2	3	3	2	3	5	4	2	2	4	4

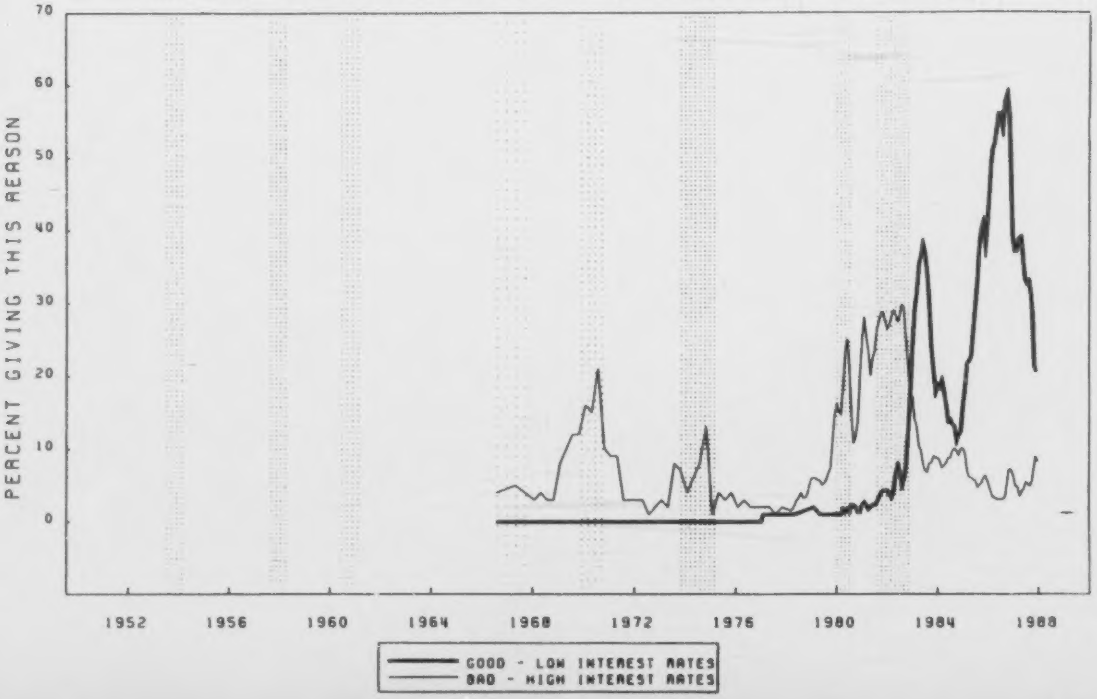
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

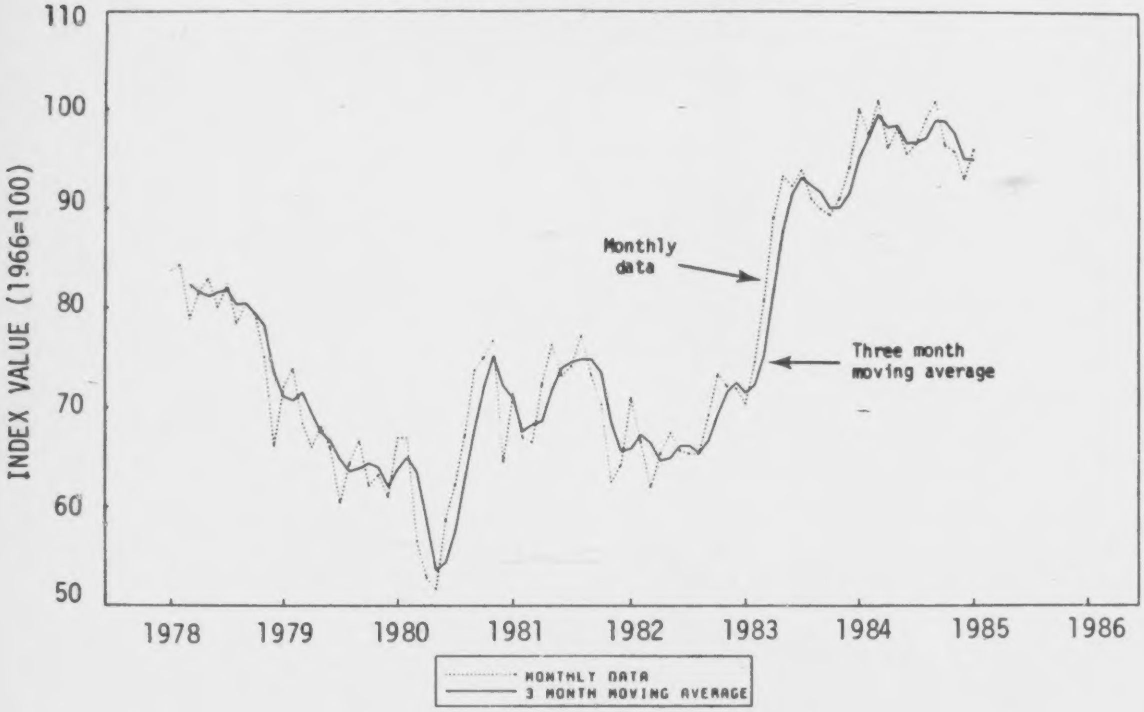
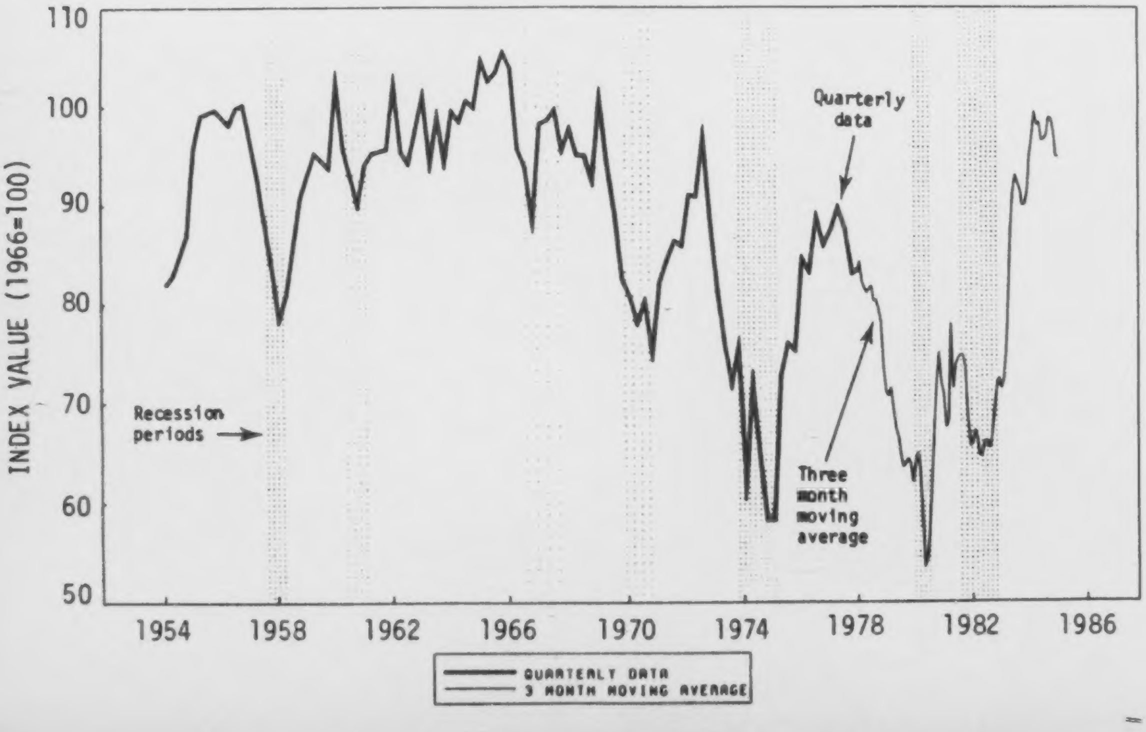


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

U/T 15-2 71

March 4, 1988

FEBRUARY 1988 MONTHLY REPORT

Surveys of Consumers

Richard T. Curtin, *Director*

CONFIDENCE REBOUND: SIGH OF RELIEF MORE THAN SIGN OF OPTIMISM

- The Index of Consumer Sentiment was 91.6 in the February 1988 survey, just above the 90.8 recorded in January, and significantly above the post-crash low of 83.1 recorded in November 1987. This rebound has brought the Index to just above the year earlier reading of 90.2. That the worst fears spawned by Black Monday were not confirmed by subsequent developments has fueled this rebound; it represents more of a sense of relief than a sense of renewed optimism. Although the crisis atmosphere has cleared, consumers do not expect much more than a continuation of the slow pace of expansion in the national economy.

- Among families with incomes of $30,000 or more the Index stood at 98.1 in the February 1988 survey, just below the 99.0 recorded one month earlier. This marks a significant improvement from the November low of 87.7, although it still remains below the year earlier figure of 103.6.

- The majority of families in the February 1988 survey (58 percent) expected that the performance of the national economy would remain unchanged during the year ahead. Many fewer families expected the economy to either improve (23 percent) or worsen (17 percent). These prospects were judged to mean the continuation of good times financially in the country as a whole by 45 percent of all families in the February 1988 survey. While this is an improvement over the post-crash low of 38 percent recorded in November 1987, it remains below the 53 percent recorded in February 1987.

- When asked about prospects for the domestic economy over the longer term, the balance of opinion pointed toward the expectation of bad times. Whereas for the year ahead more families expected good rather than bad times by the margin of 45 to 37 percent, over the longer term more families expected bad rather than good times by the margin of 45 to 35 percent.

- The most distinctive aspect of trends over the past few years is the wide divergence in consumers' views of prospects for their own personal financial situation and prospects for the economy as a whole. In contrast to the erosion of favorable assessments of the outlook for the national economy, personal financial evaluations have remained at very favorable levels.

- In the February 1988 survey, 47 percent of all families reported that their financial situation had improved, up from 44 percent one year earlier. This represents a very favorable assessment, as it is only slightly below the recent cyclical peak of 49 percent. Income increases were cited more frequently by families in the February 1988 survey than a year earlier (39, up from 35 percent), and declines in family incomes were mentioned less frequently (13, down from 20 percent).

- Consumers continue to hold favorable views about their financial prospects for the year ahead. In the February 1988 survey, 39 percent of all families expected their financial situation to improve during the year ahead, just above the 38 percent recorded both one month and one year earlier. Importantly, just 9 percent of all families expected their financial situation to worsen in the February 1988 survey, down from 13 percent one year earlier. Income increases were expected by 63 percent of all families in February, just ahead of the 59 percent that expected increases one year earlier.

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- In the aftermath of the crash, consumers have become more willing to use their accumulated savings in order to make a major purchase, but have not become more willing to incur new debt. Willingness to use savings was reported by 34 percent in February 1988, up sharply from the 24 percent recorded in November 1987. Among all families, 21 percent were willing to incur new debt in the February 1988 survey, barely above the 20 percent recorded in November 1987.

- No change was recorded from the January to February 1988 surveys in the proportion of families that held favorable attitudes toward buying conditions for vehicles (59 percent), homes (67 percent), and large household durables (72 percent)—a rare statistical result to be sure! Attitudes toward buying conditions in each market have improved since the November lows, but have not completely regained their year earlier levels. Although attitudes toward buying conditions for vehicles and large household durables were only slightly less favorable, home buying attitudes were significantly less favorable in the February 1988 survey than one year earlier.

- The proportion of families holding favorable attitudes toward home buying conditions fell to 67 percent in the February 1988 survey from 81 percent one year earlier. The entire decline can be traced to less favorable views of mortgage interest rates. Favorable references to current mortgage rates fell to 44 percent in February 1988 from 68 percent one year earlier, while complaints about high mortgage rates rose to 15 from 6 percent. While this represents a significant erosion of favorable assessments, home buying attitudes nonetheless remain relatively positive.

- Favorable attitudes toward vehicle buying conditions were held by 59 percent of all families in the February 1988 survey, slightly below the 62 percent recorded one year earlier. Many fewer families cited the availability of discounted interest rates offered by vehicle manufactures in the February 1988 survey than one year earlier (20, down from 36 percent). Although as many families reported the availability of discounted prices in February 1988 as in February 1987 (30 versus 29 percent), more families complained about high vehicle prices in the February 1988 survey than one year earlier (20, up from 13 percent).

- Favorable attitudes toward buying conditions for appliances, furniture, and household electronic goods were held by 72 percent of all families in the February 1988 survey, just below the 73 percent recorded one year earlier. Favorable views of market prices continue to underpin these positive assessments—reported by 36 percent of all families in the February 1988 survey, just above the 33 percent recorded one year earlier. Only 5 percent of all families complained about high prices for these household durables.

- Interest rate increases were expected by 44 percent of all families in the February 1988 survey, down from 54 percent one month earlier, while the proportion that expected declines rose to 21 from 12 percent. This improvement returned interest rate expectations to the levels recorded one year earlier, when increases were expected by 44 percent, compared with 17 percent that expected declines.

• • •

The February 1988 survey was conducted between February 1 and February 26, 1988 and included 500 completed interviews.

[illegible]

SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

FEBRUARY 1988

The February 1988 survey was the 235th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

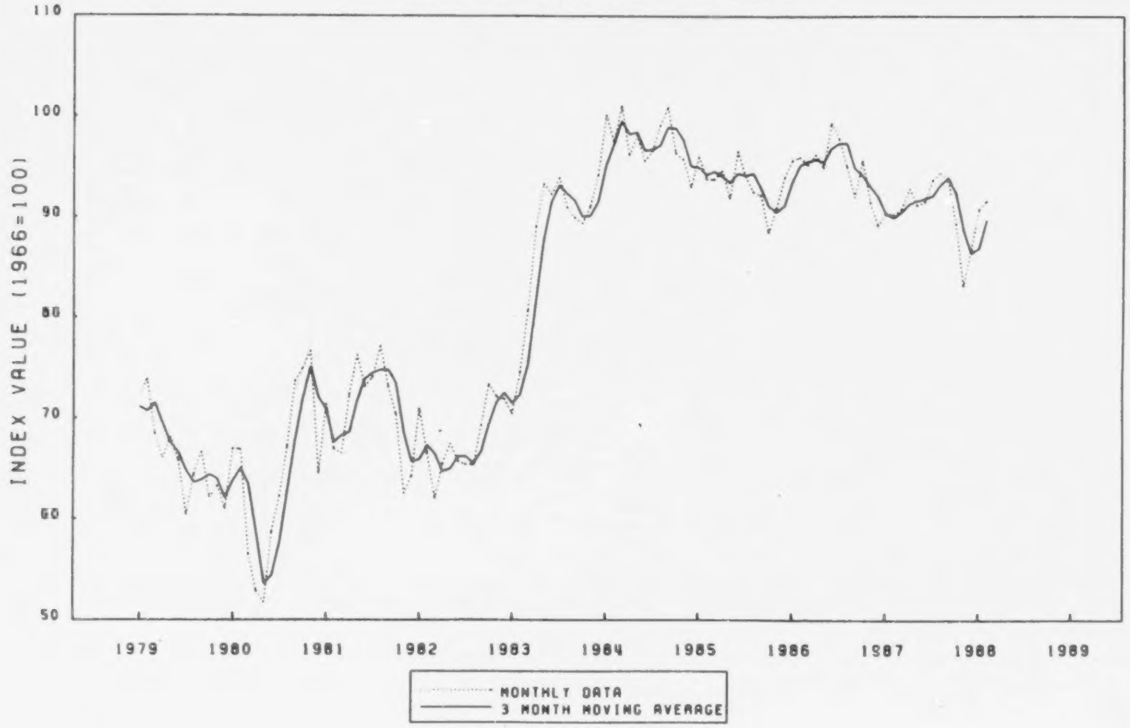


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

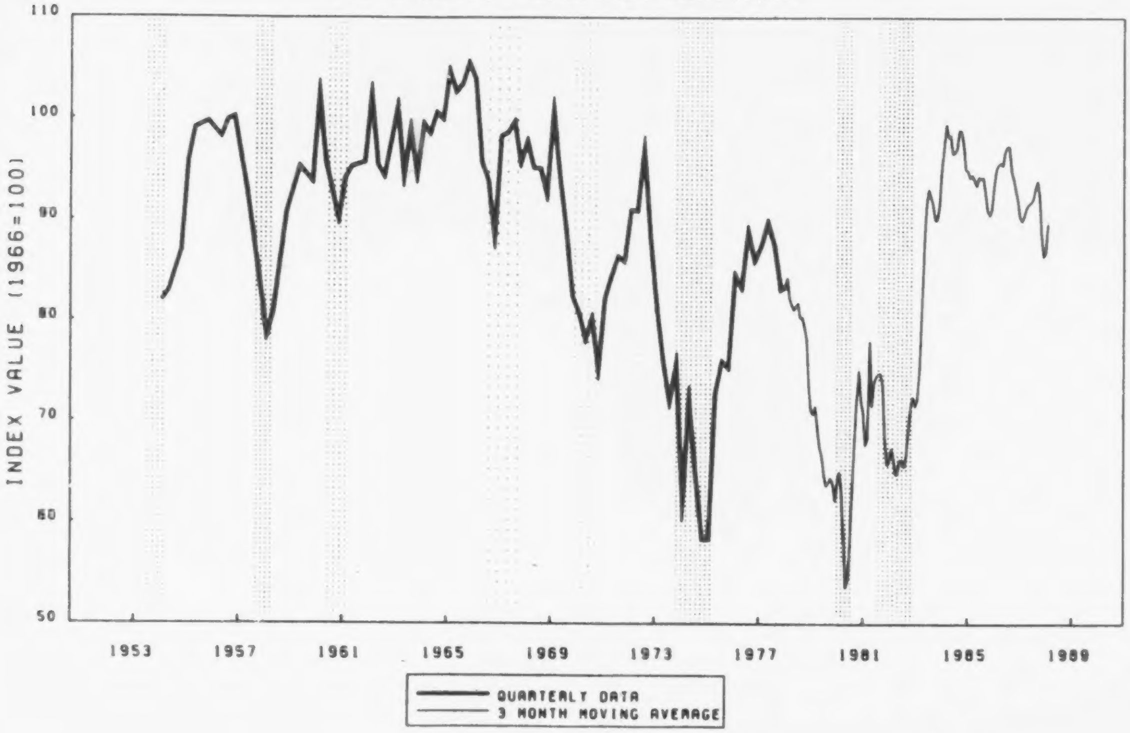


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
February	1985	93.7	113.8	113.8
March	1985	93.7	110.8	114.4
April	1985	94.6	108.9	114.9
May	1985	91.8	105.3	107.7
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

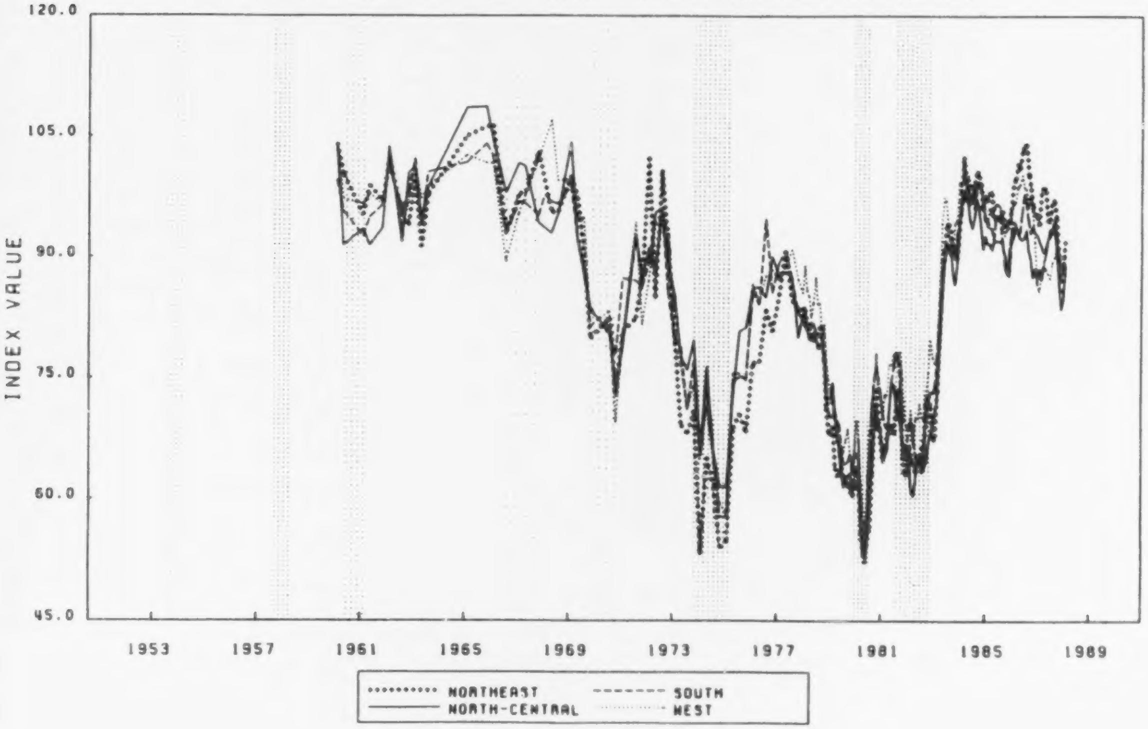


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

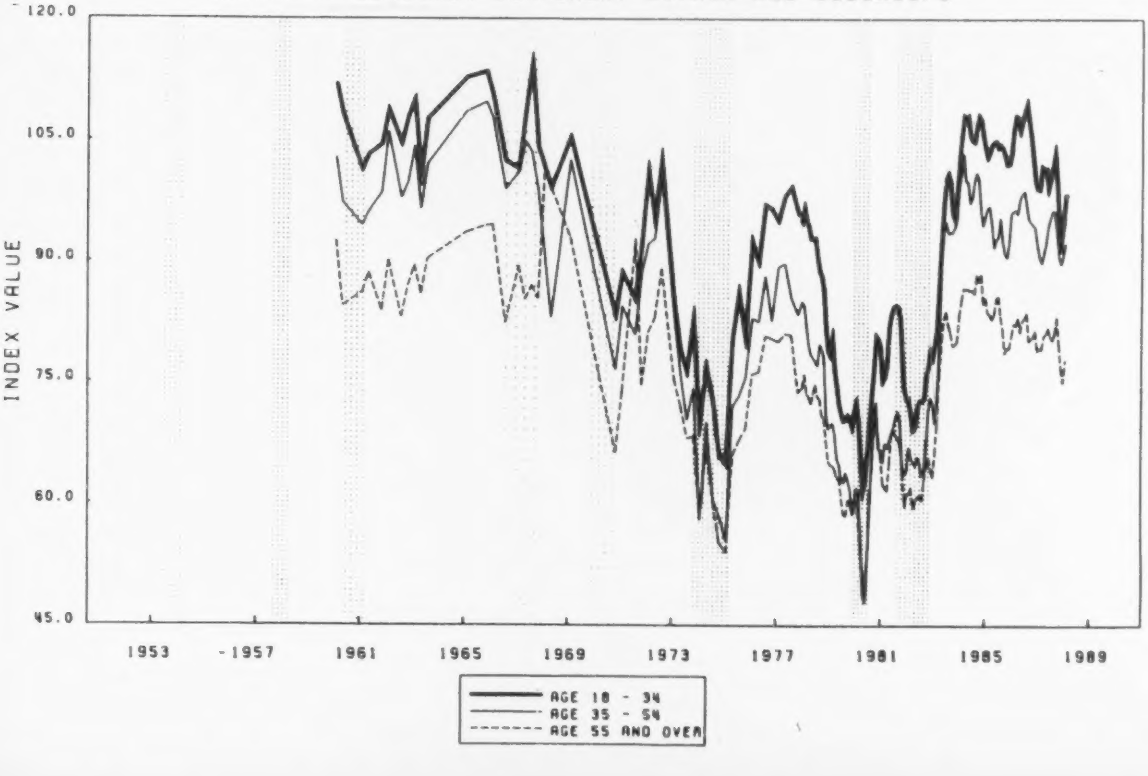


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March 1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April 1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May 1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July 1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August 1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September 1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October 1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

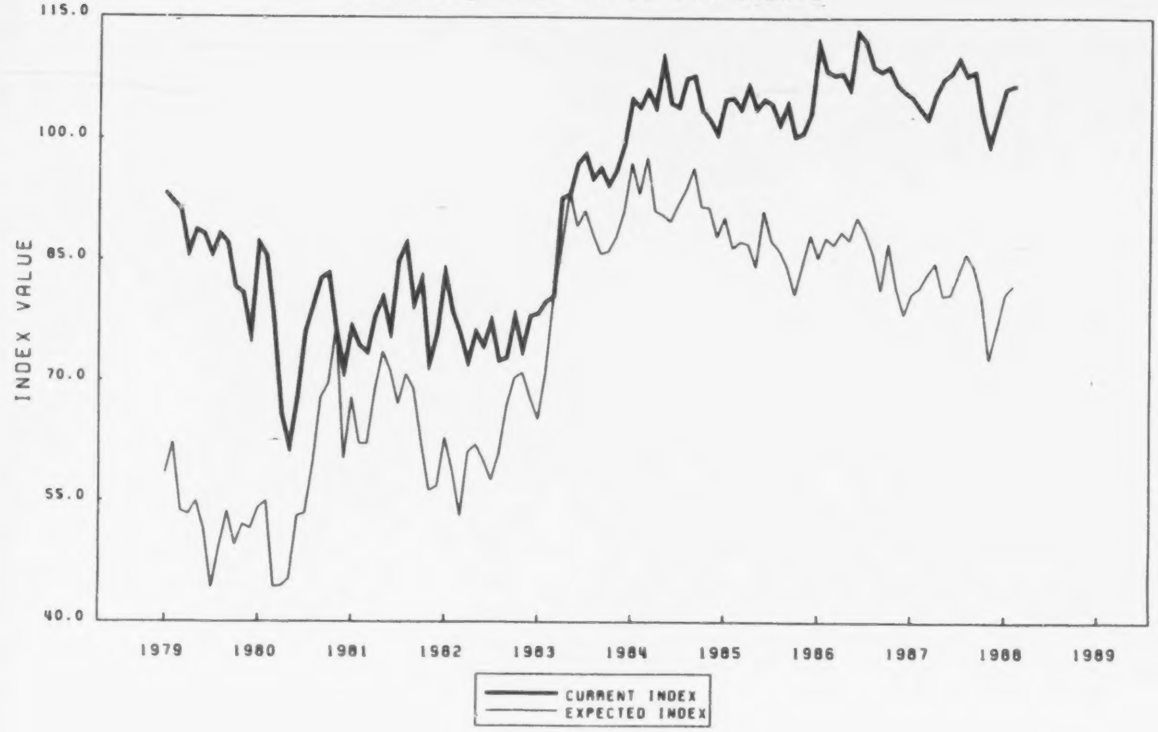


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

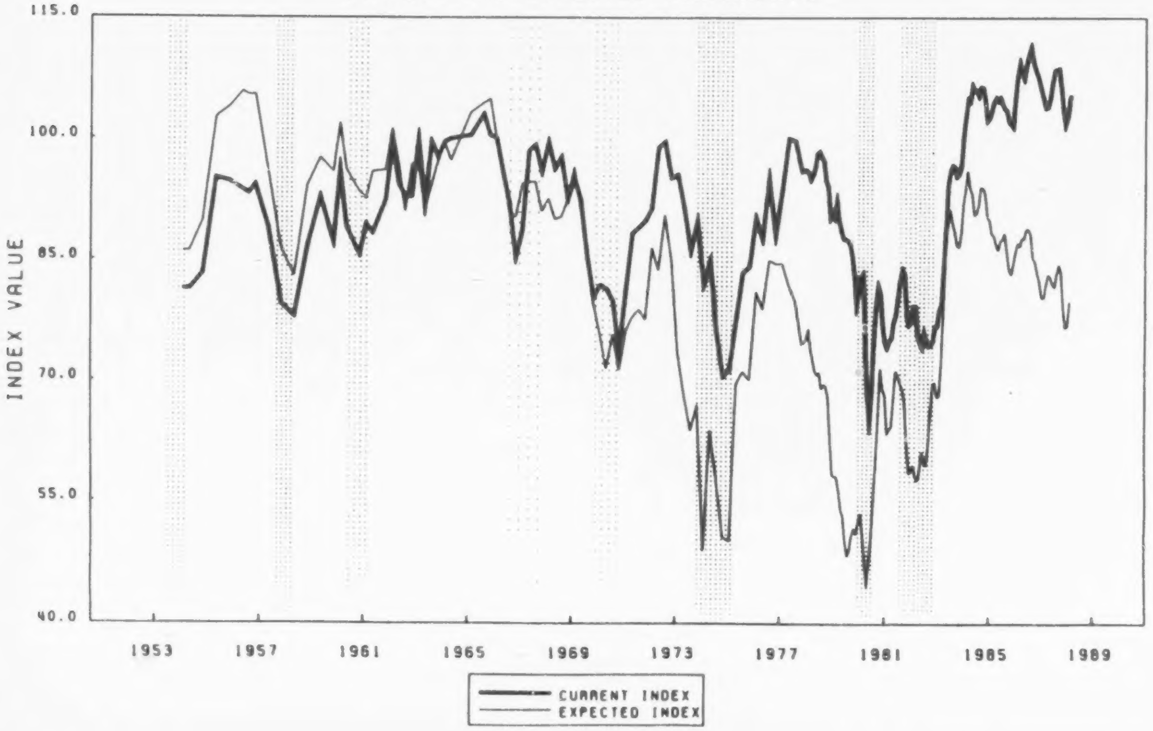


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

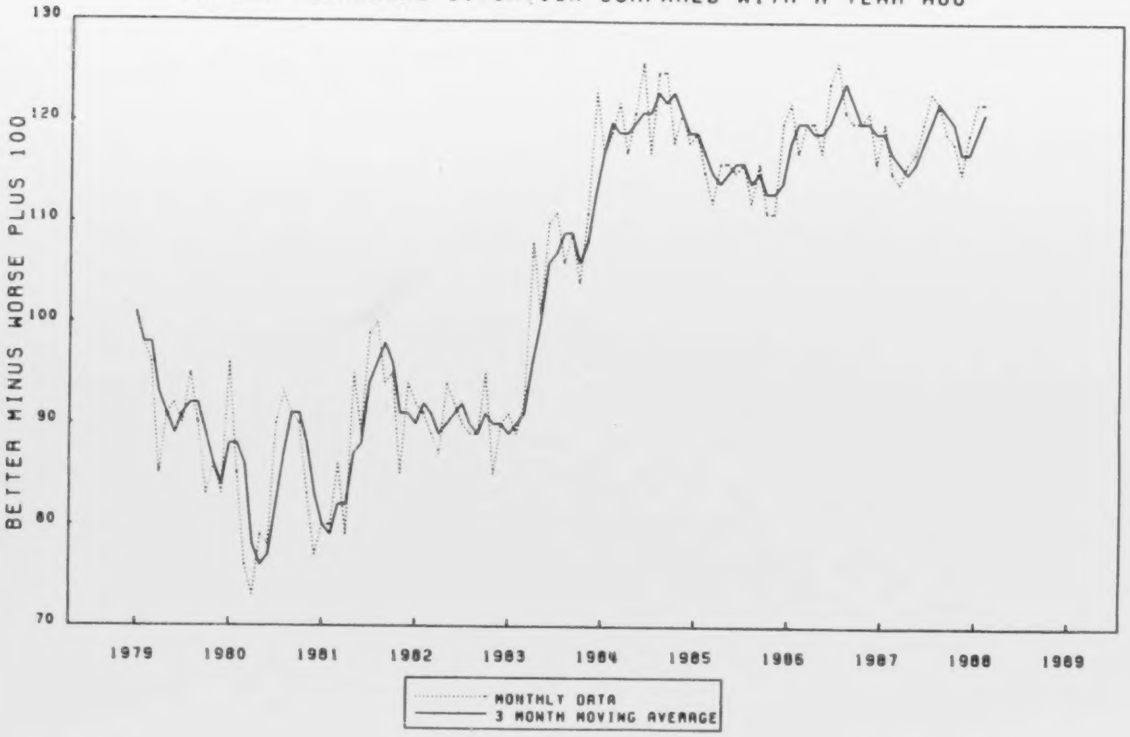


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

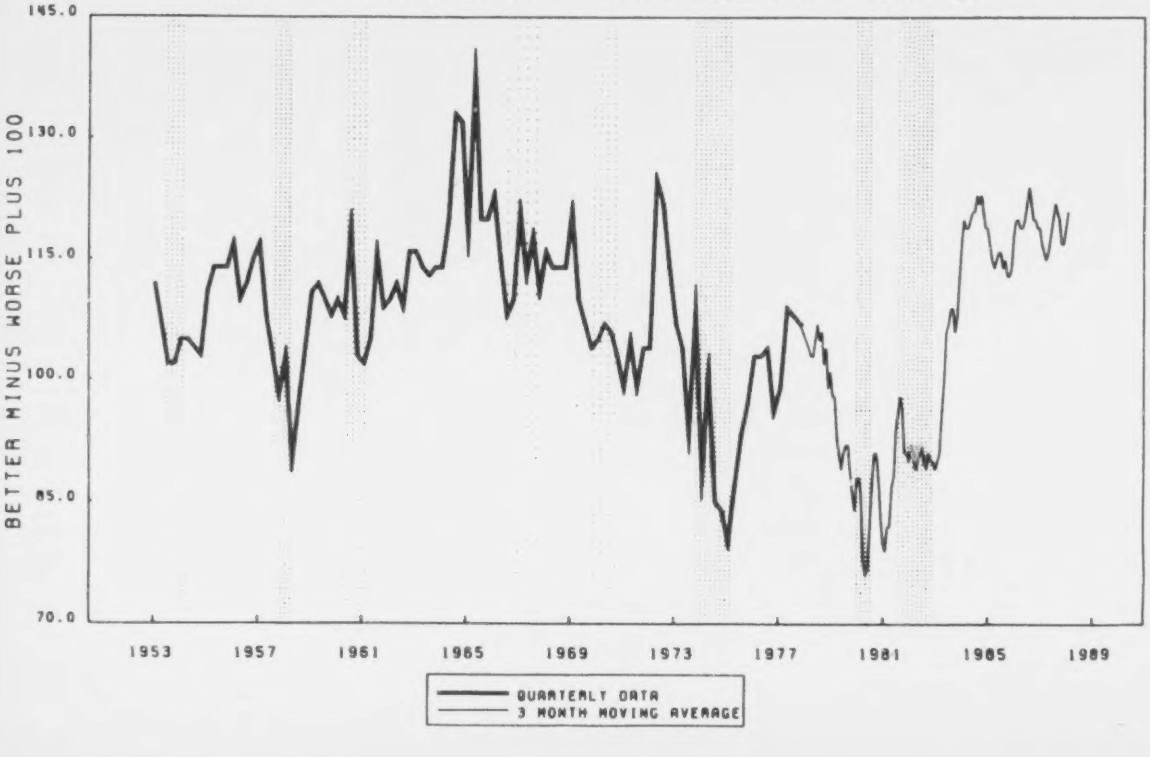


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
BETTER OFF	44%	41%	42%	43%	44%	45%	45%	42%	43%	42%	43%	46%	47%
SAME	27	32	32	31	32	32	32	34	32	31	33	29	27
WORSE OFF	29	27	26	26	24	22	23	23	25	27	24	24	25
DK,NA	*	*	*	*	*	1	*	1	*	*	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

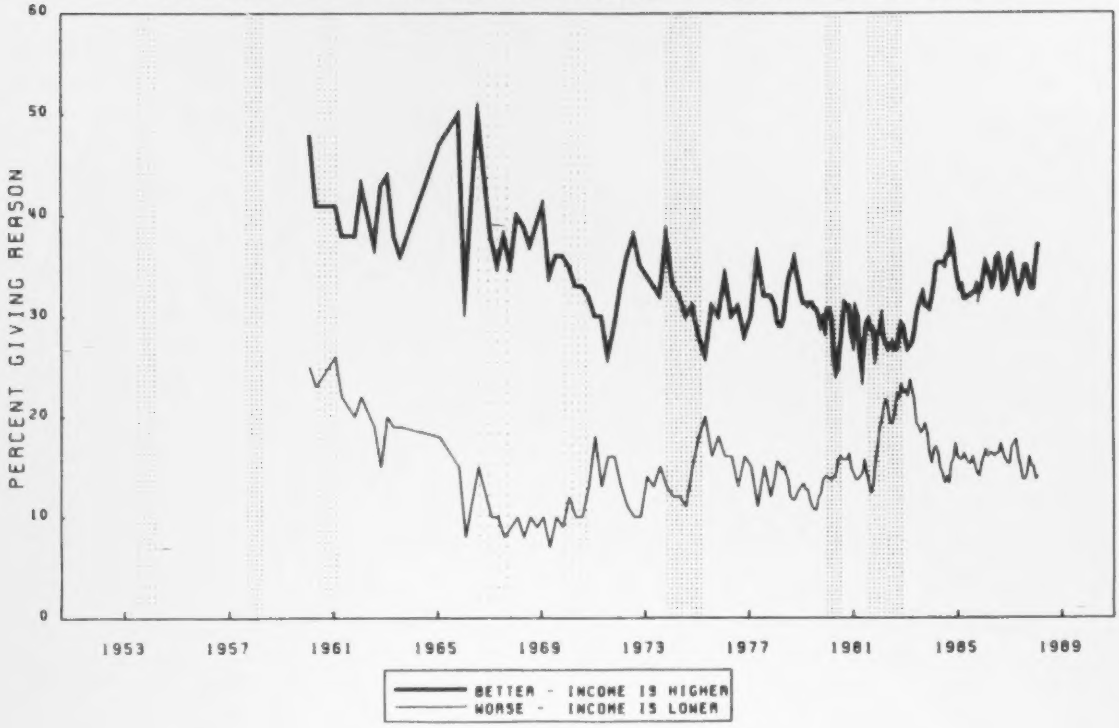


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

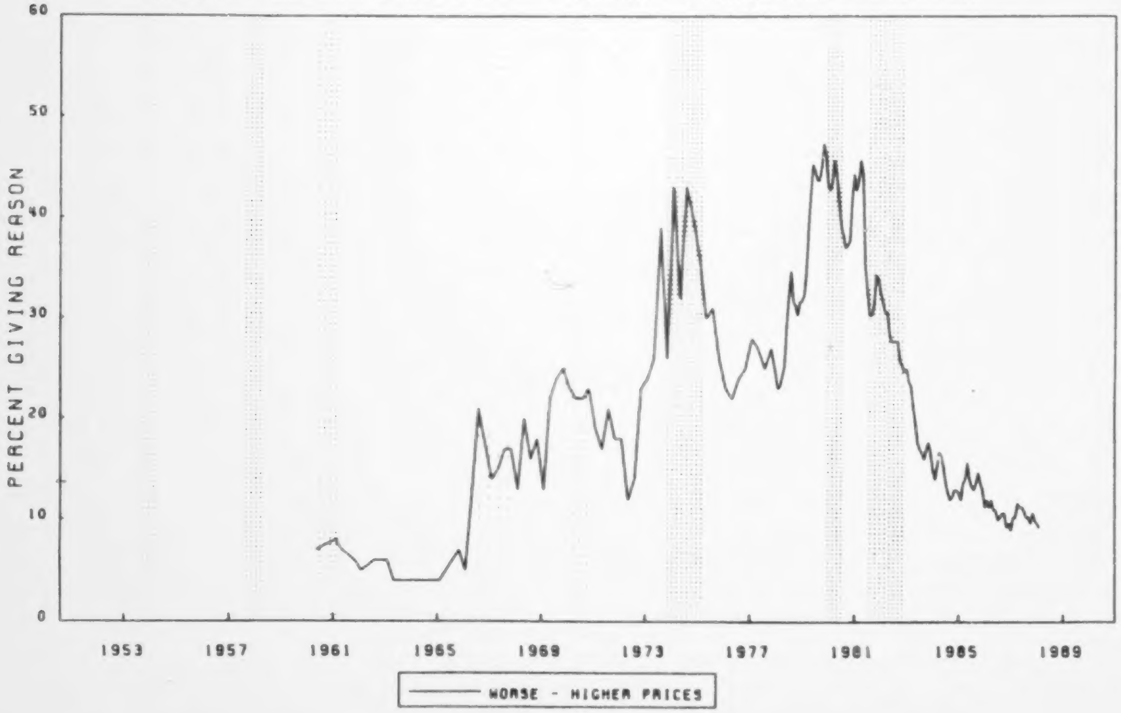


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	35%	31%	34%	32%	33%	36%	36%	33%	32%	33%	33%	39%	39%
WORSE OFF THAN YEAR AGO:													
Income is lower	20	17	16	15	14	12	15	16	17	12	16	13	13
Higher prices	12	12	11	11	12	10	9	12	8	12	10	7	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

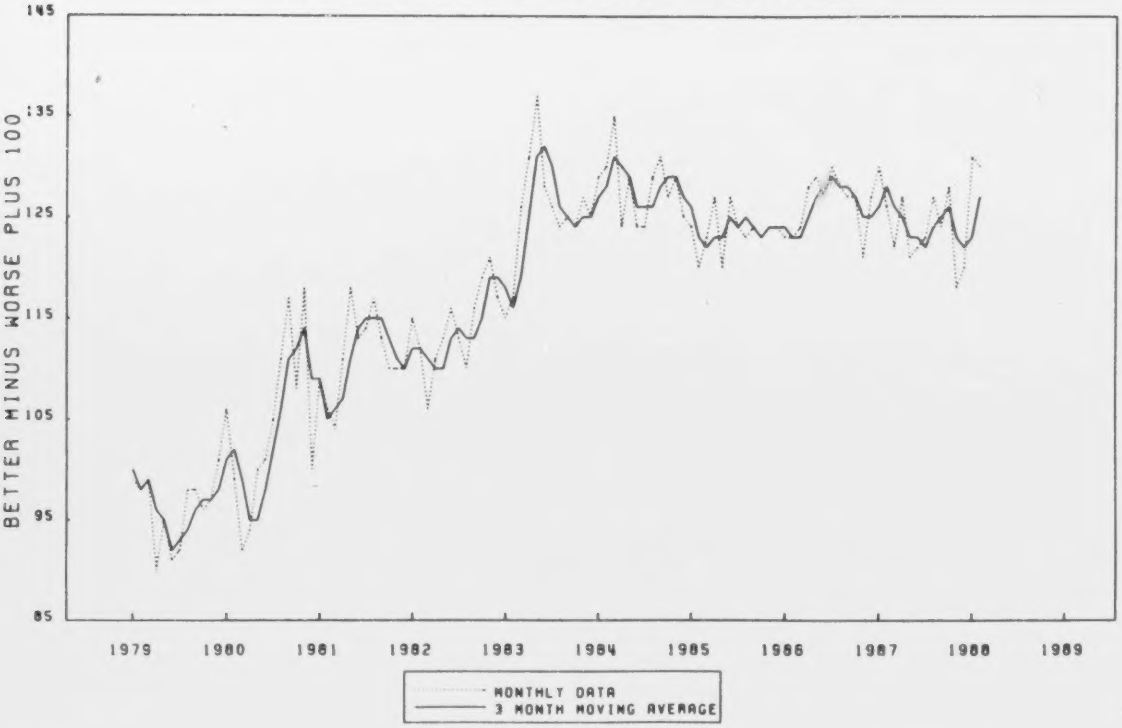


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

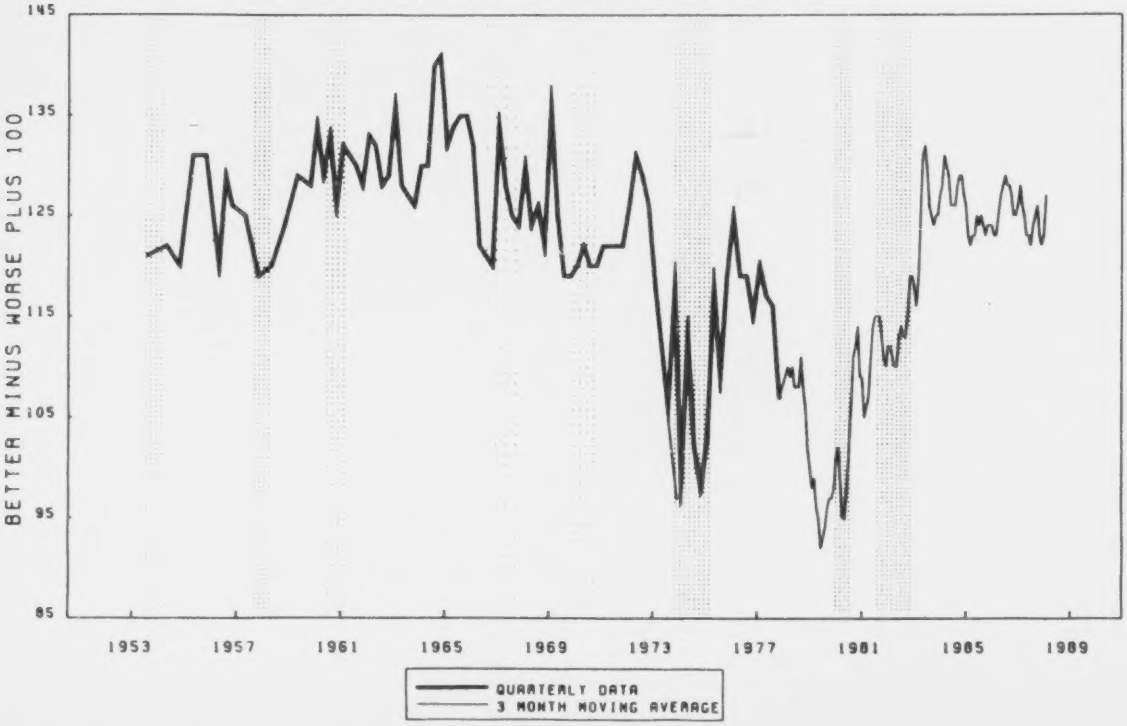


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
BETTER OFF	38%	33%	37%	32%	33%	34%	39%	35%	37%	33%	32%	38%	39%
SAME	48	53	49	54	53	52	46	49	51	49	51	53	48
WORSE OFF	12	11	10	11	11	11	12	11	9	15	12	7	9
DK,NA	2	3	4	3	3	3	3	5	3	3	5	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

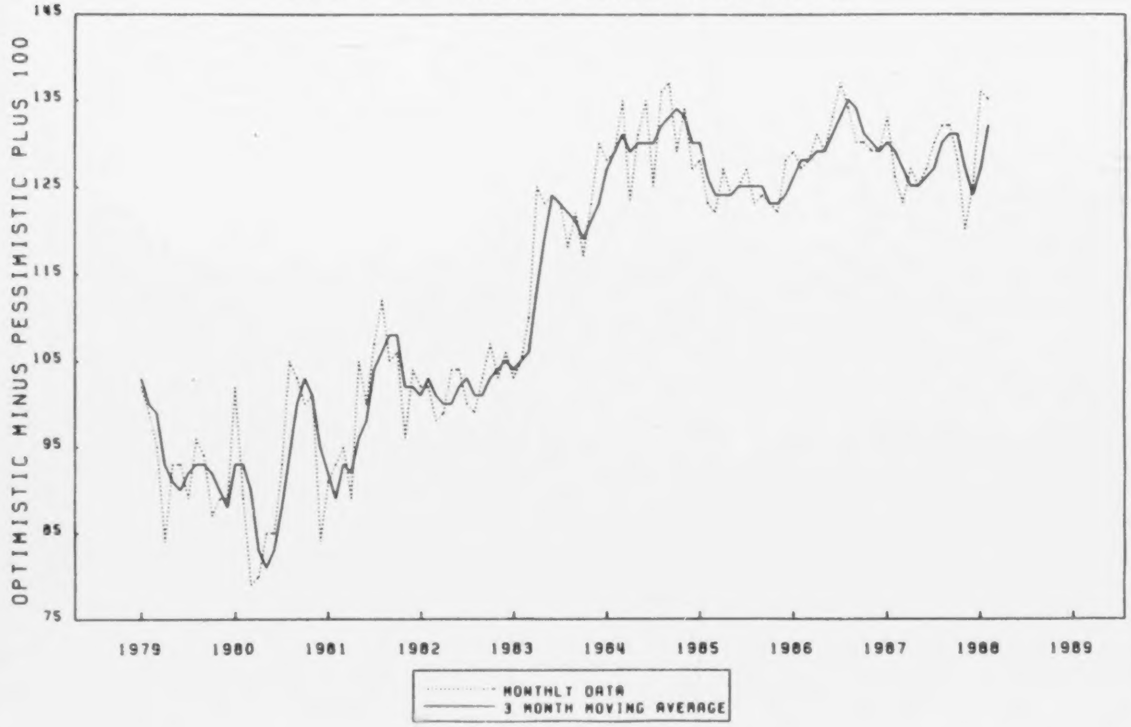


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

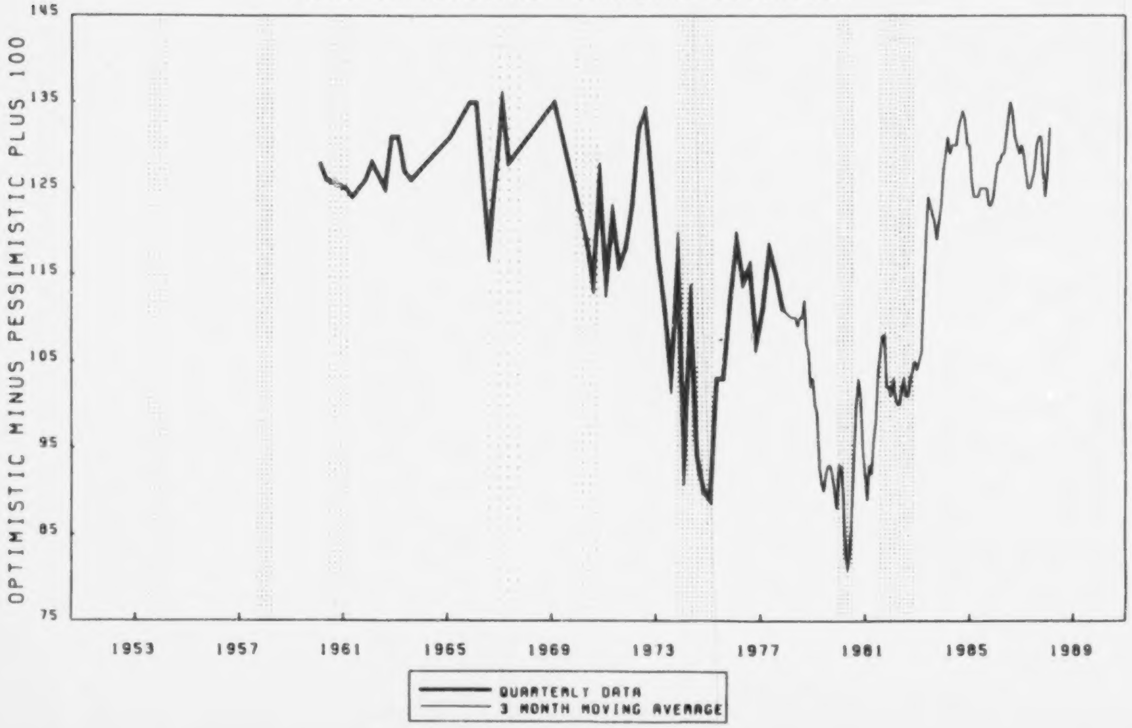


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	19%	19%	17%	18%	19%	23%	18%	23%	19%	17%	21%	20%
Intermittant increase (b)	27	25	28	28	31	29	29	31	24	25	27	31	31
Remain unchanged (c)	15	22	17	20	17	20	16	19	21	18	19	19	15
Intermittant decline (d)	17	16	17	16	17	14	16	12	15	18	17	13	13
Continuous decline (e)	6	5	3	4	5	4	4	5	4	6	2	3	3
Mixed change (f)	11	10	12	12	8	10	9	10	10	11	13	11	13
DK,NA	2	3	4	3	4	4	3	5	3	3	5	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

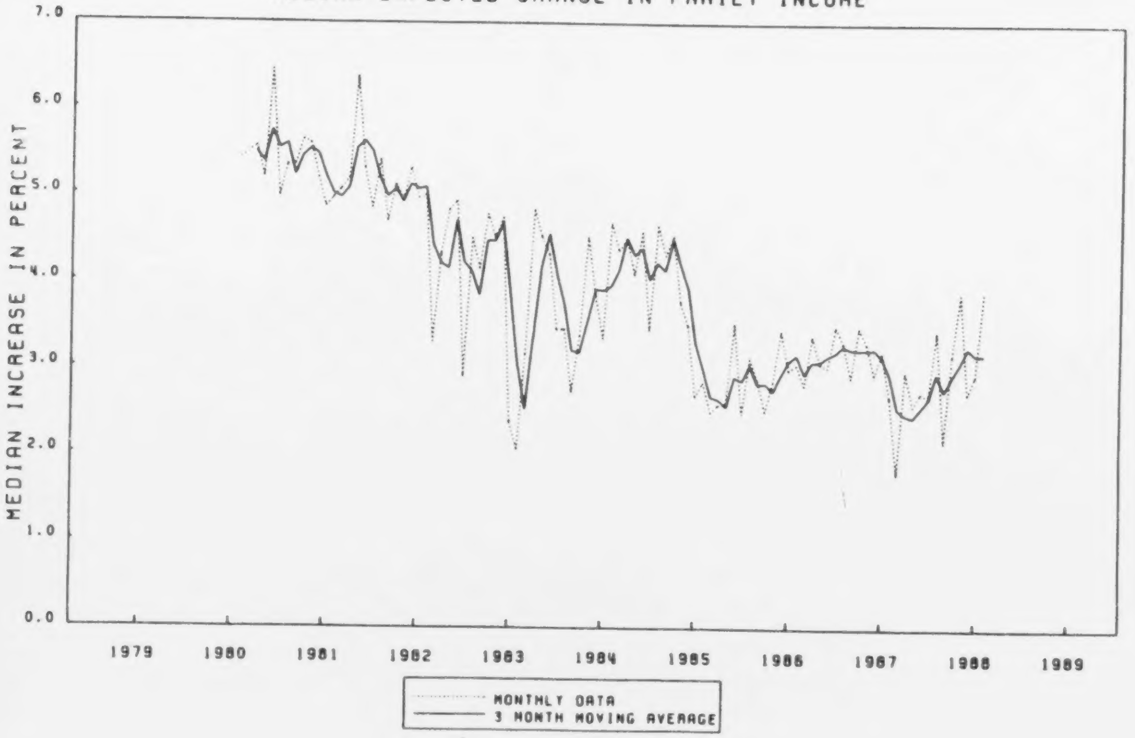


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

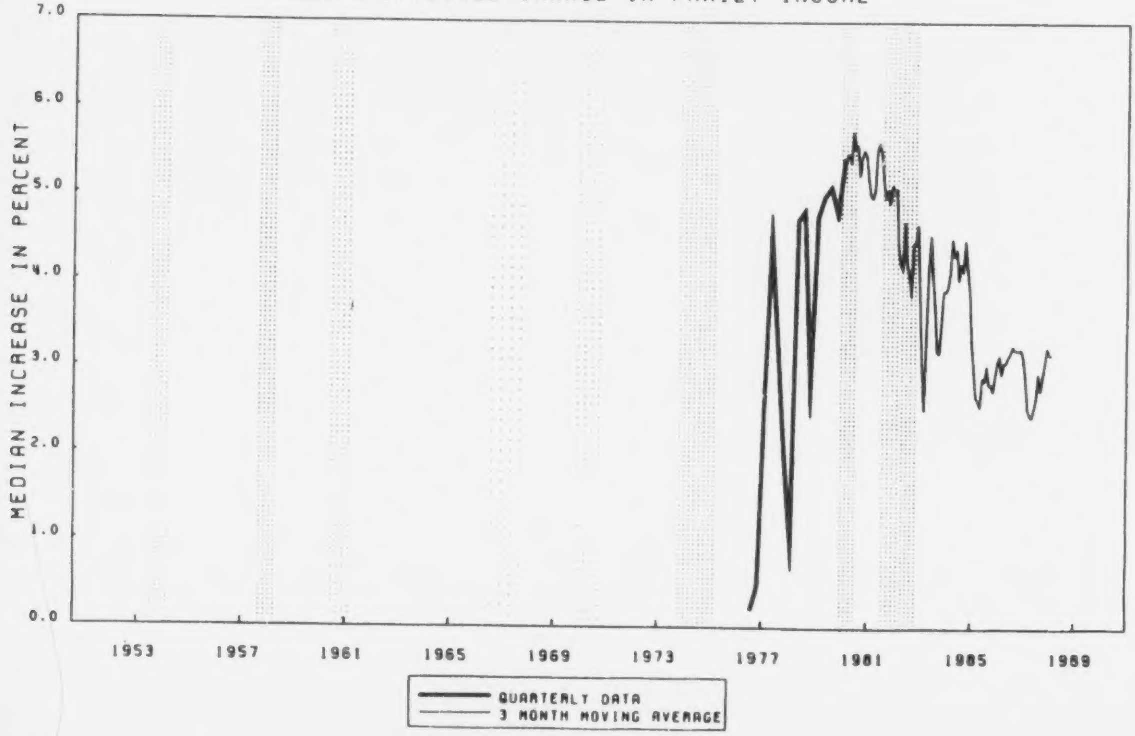


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
EXPECT INCREASE:													
1-4%	15%	17%	15%	18%	21%	18%	17%	17%	15%	18%	19%	18%	16%
5%	12	11	9	9	9	9	12	13	10	11	10	12	15
6-9%	5	7	8	8	10	7	6	6	9	8	8	7	8
10-24%	15	11	19	14	13	16	17	10	15	18	14	15	17
25% or more	6	5	5	6	5	6	8	6	5	7	4	6	5
DK how much up	6	6	4	3	4	4	4	5	6	2	3	4	2
EXPECT SAME	27	28	27	26	26	27	23	30	25	21	23	27	23
EXPECT DOWN	14	15	13	15	12	13	11	11	13	13	19	10	12
DK,NA	*	*	*	1	*	*	2	2	2	2	*	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

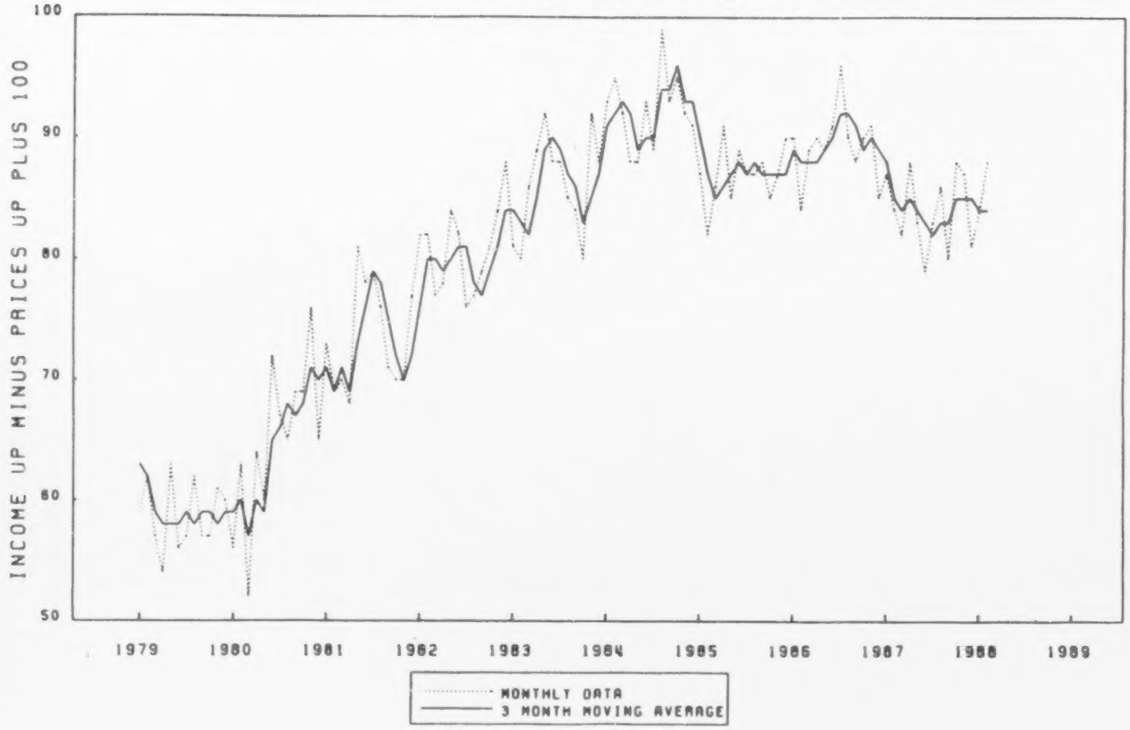


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

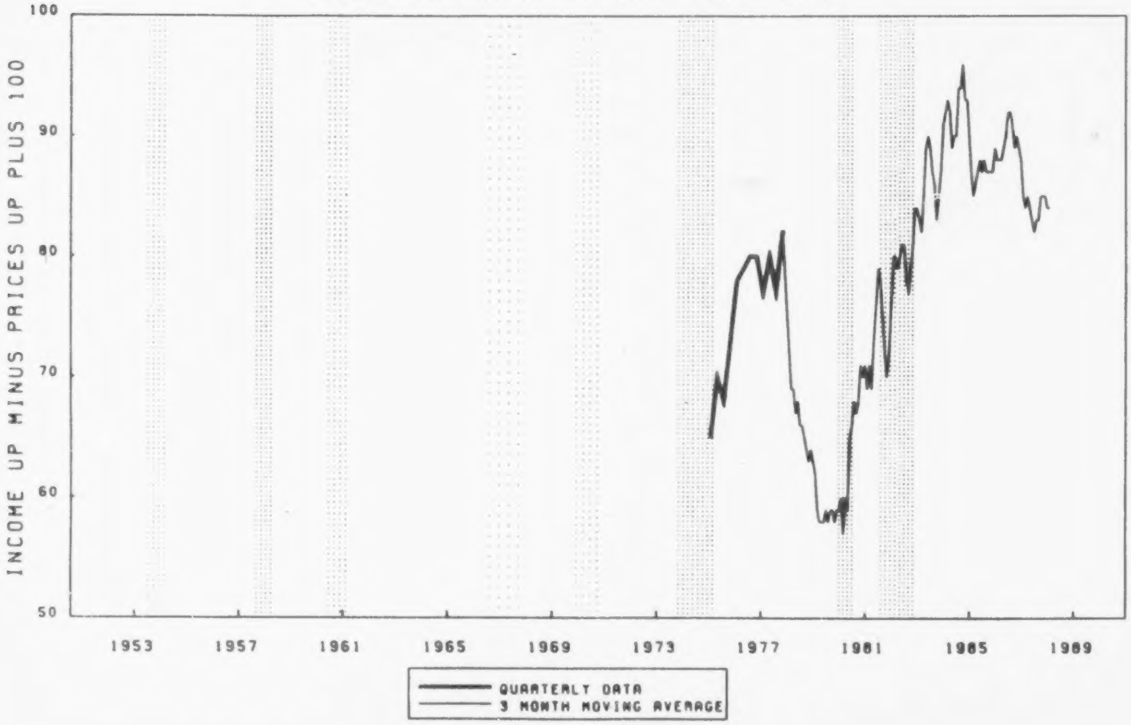


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
INCOME UP MORE	20%	18%	21%	17%	17%	17%	21%	18%	20%	22%	19%	19%	20%
INCOME UP SAME	42	44	44	48	44	47	42	42	45	43	41	44	45
PRICES UP MORE	36	36	33	34	38	34	35	38	32	35	38	35	32
DK,NA	2	2	2	1	1	2	2	2	3	*	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

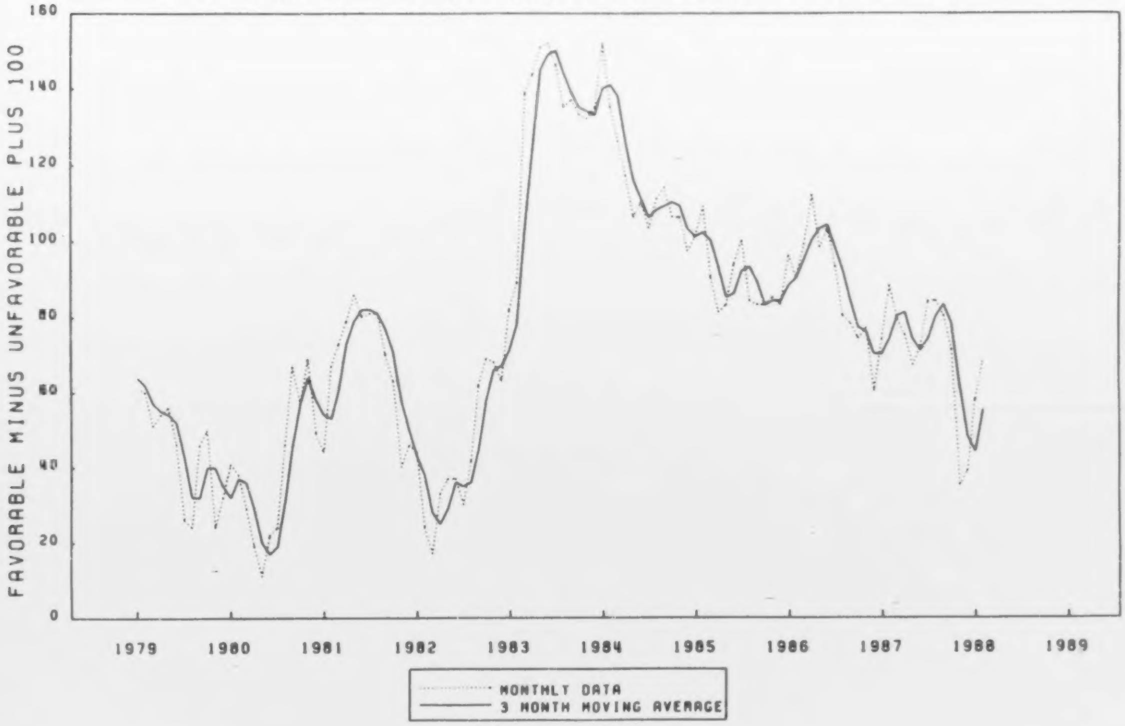


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

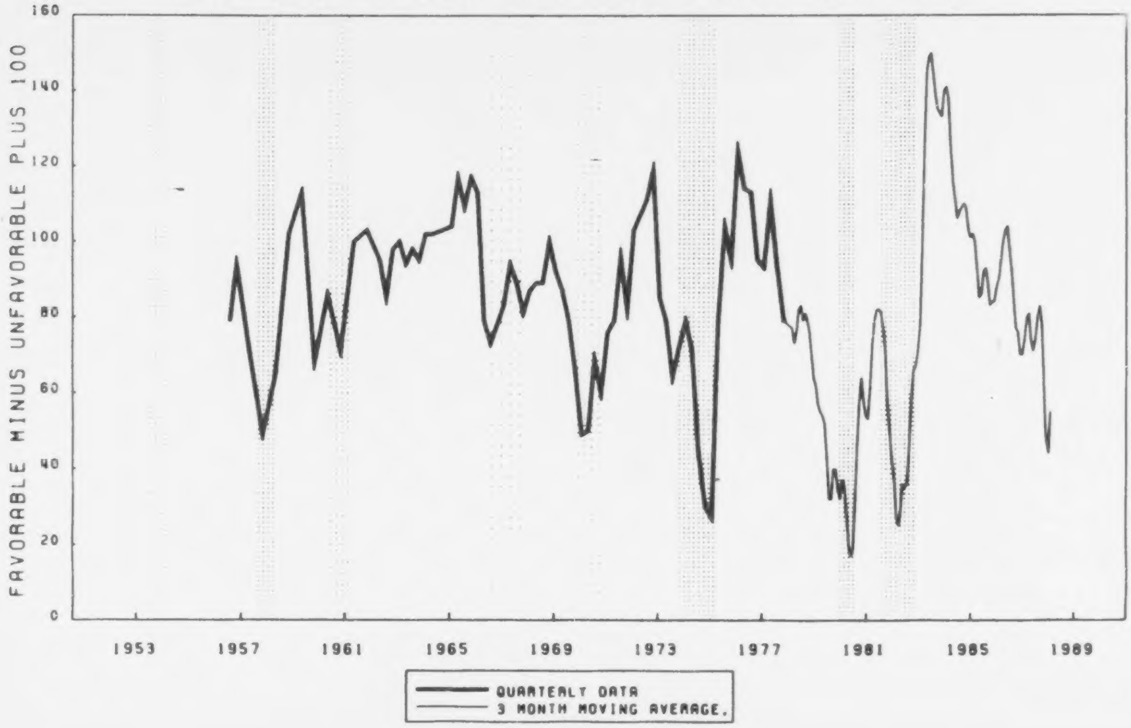


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
FAVORABLE NEWS	36%	27%	27%	26%	29%	29%	32%	24%	25%	18%	18%	23%	26%
UNFAVORABLE NEWS	48	48	52	59	57	45	48	44	54	83	79	65	58
NO MENTIONS	45	49	46	44	42	50	47	53	47	32	36	41	42

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

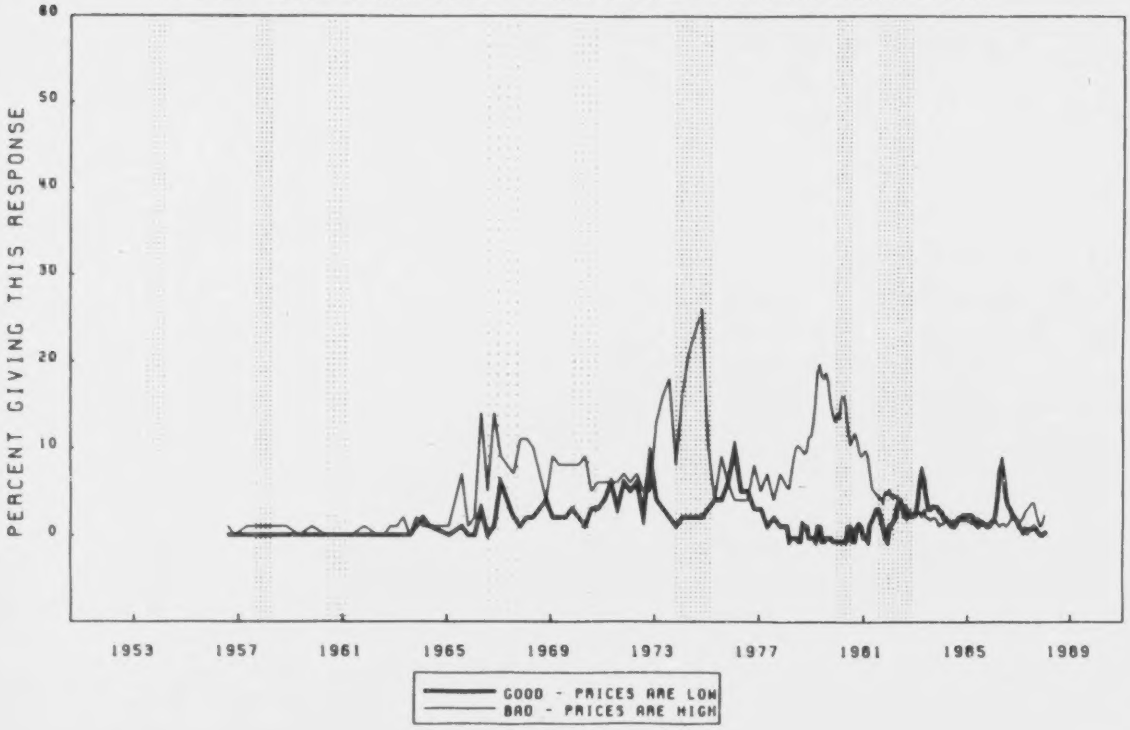


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

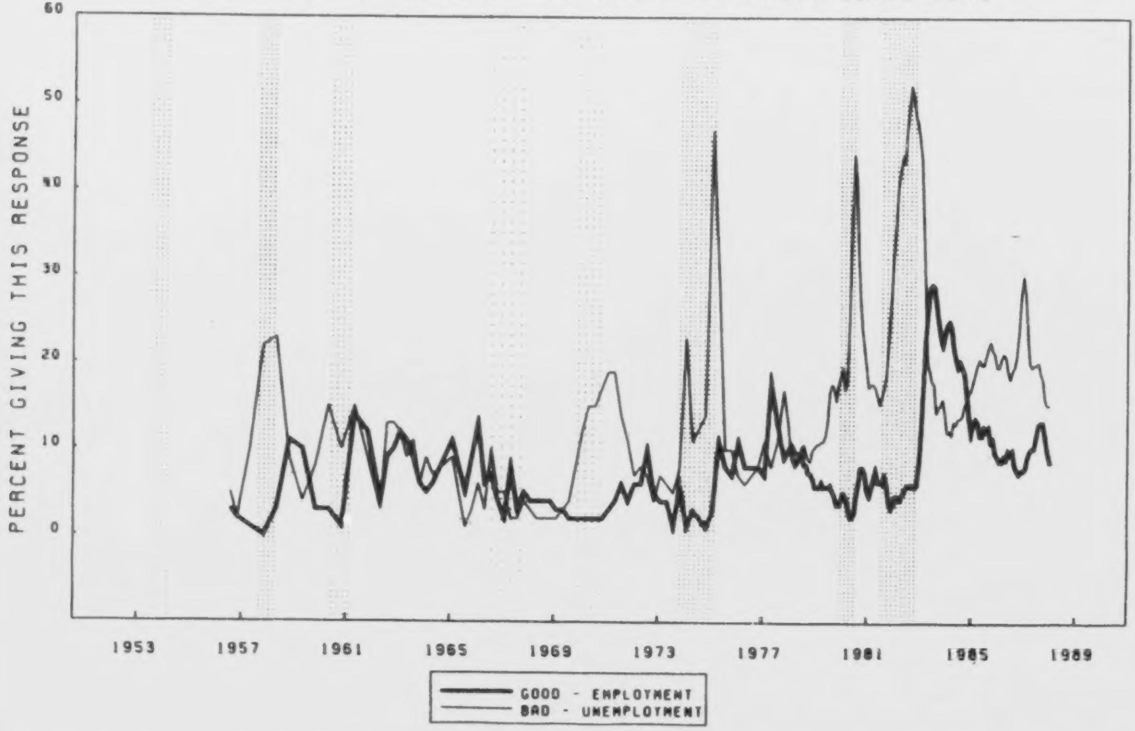


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
FAVORABLE NEWS:													
Government; elections	2%	2%	3%	1%	2%	2%	3%	1%	*	*	1%	1%	1%
Employment	10	11	9	11	11	13	15	12	13	10	7	9	11
Higher consumer demand	3	1	1	1	2	*	1	*	1	1	1	2	1
Lower prices	1	*	1	*	1	1	1	*	*	*	*	1	1
Easier credit	6	4	2	3	3	2	1	1	1	1	2	1	4
Stockmarket	6	3	3	1	2	2	3	2	3	2	1	*	1
Trade deficit	3	1	3	2	2	2	1	1	1	1	1	3	2
UNFAVORABLE NEWS:													
Government; elections	5	7	7	7	7	5	5	3	5	6	6	6	6
Unemployment	23	20	18	21	21	18	22	17	16	15	15	16	13
Lower consumer demand	3	2	2	2	3	3	2	1	3	5	4	4	3
Higher prices	2	3	3	3	4	4	3	1	1	1	2	4	1
Tighter credit	1	1	4	6	7	4	2	5	6	5	3	1	2
Stock market	1	2	3	1	3	2	2	2	11	38	32	21	18
Trade deficit	3	4	3	7	7	4	6	3	4	4	7	6	4

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

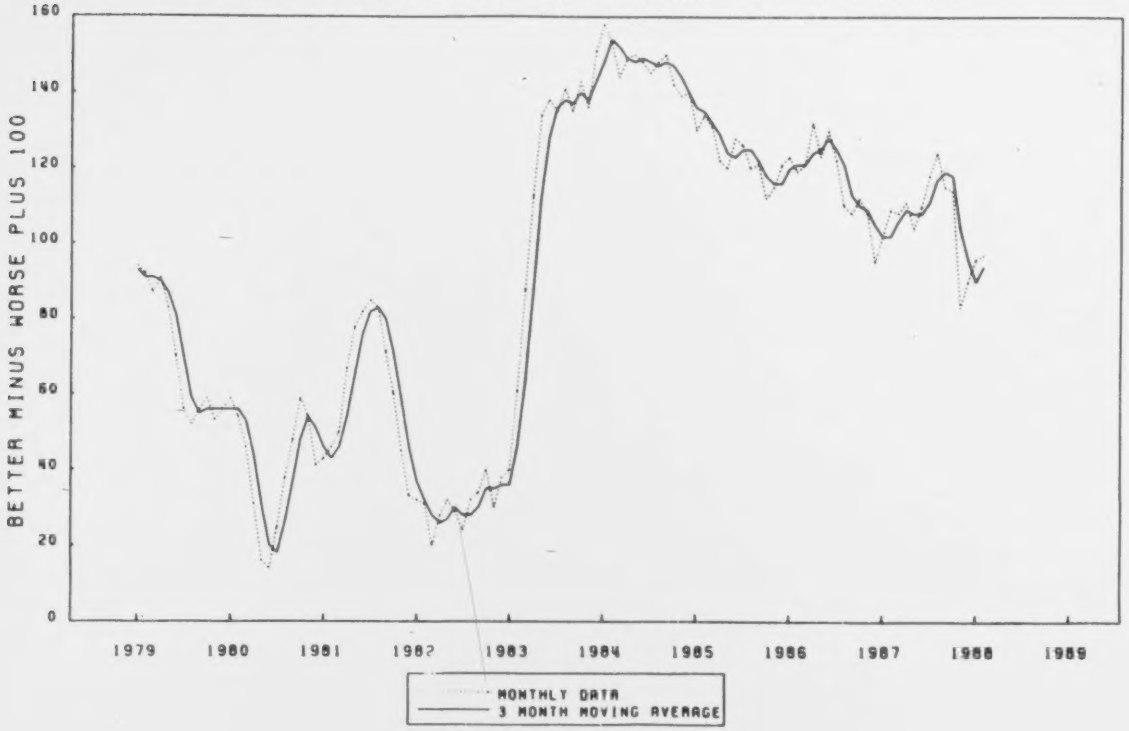


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

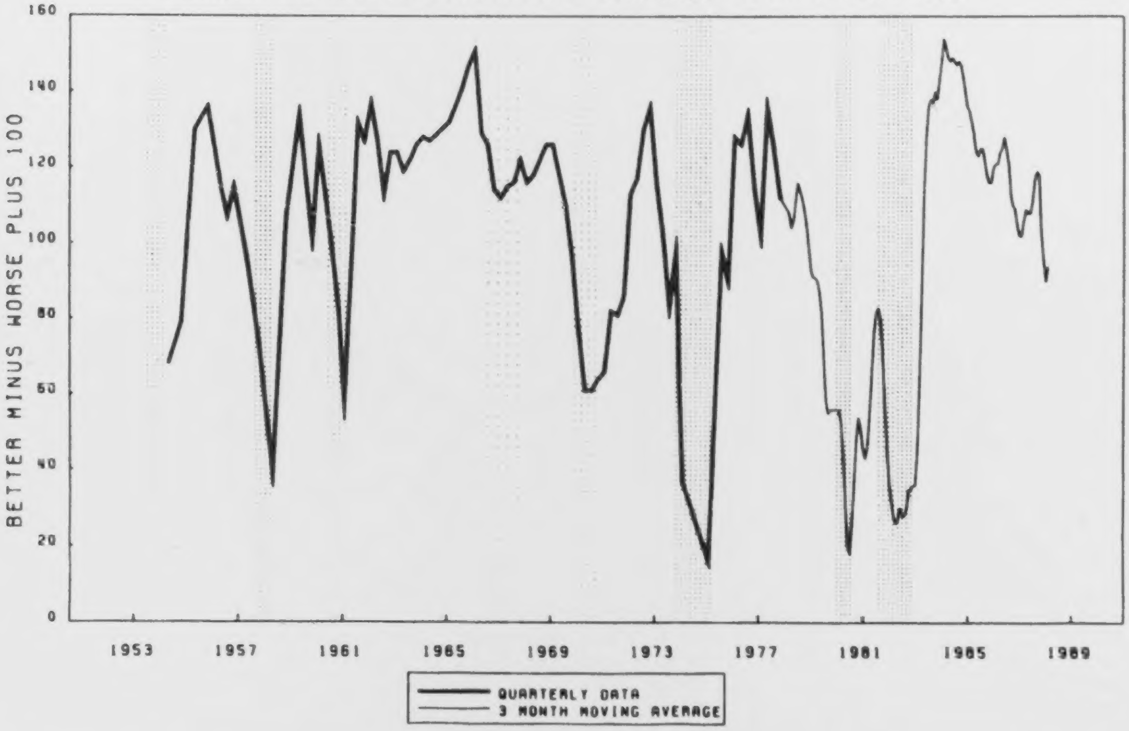


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
BETTER NOW	47%	45%	46%	43%	46%	50%	54%	49%	49%	33%	36%	40%	41%
SAME	14	17	17	16	16	16	14	14	14	16	15	14	13
WORSE NOW	38	37	35	39	36	32	30	34	35	50	46	44	44
DK,NA	1	1	2	2	2	2	2	3	2	1	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

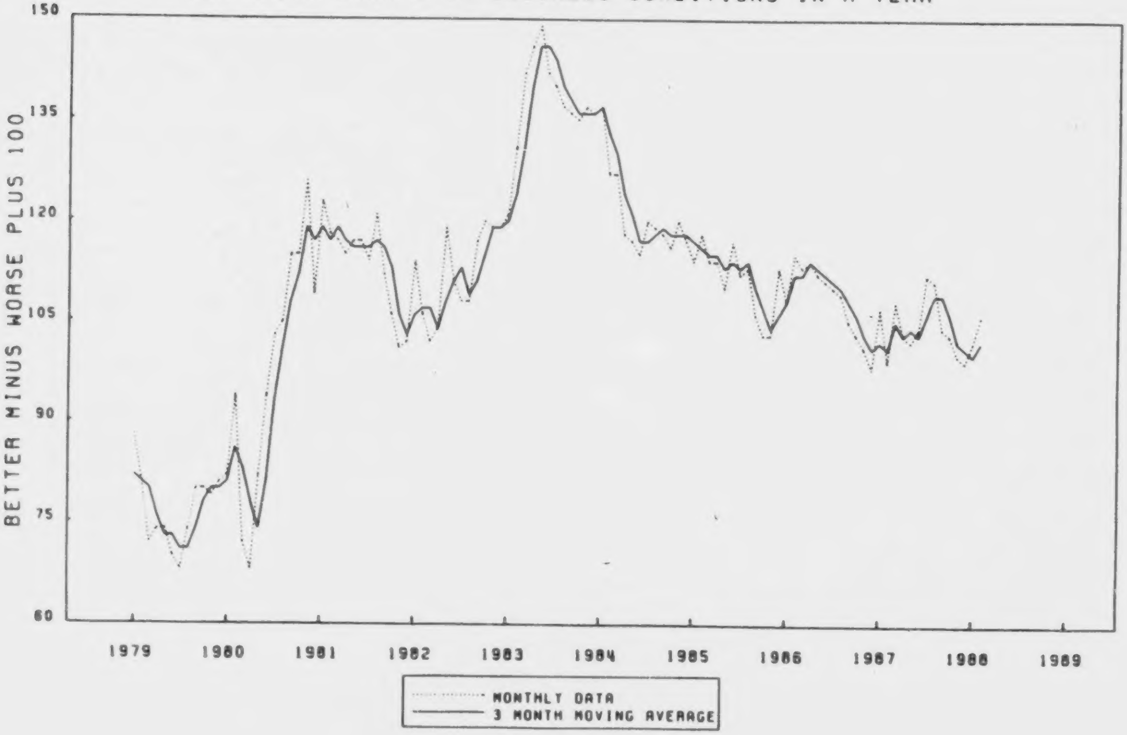


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

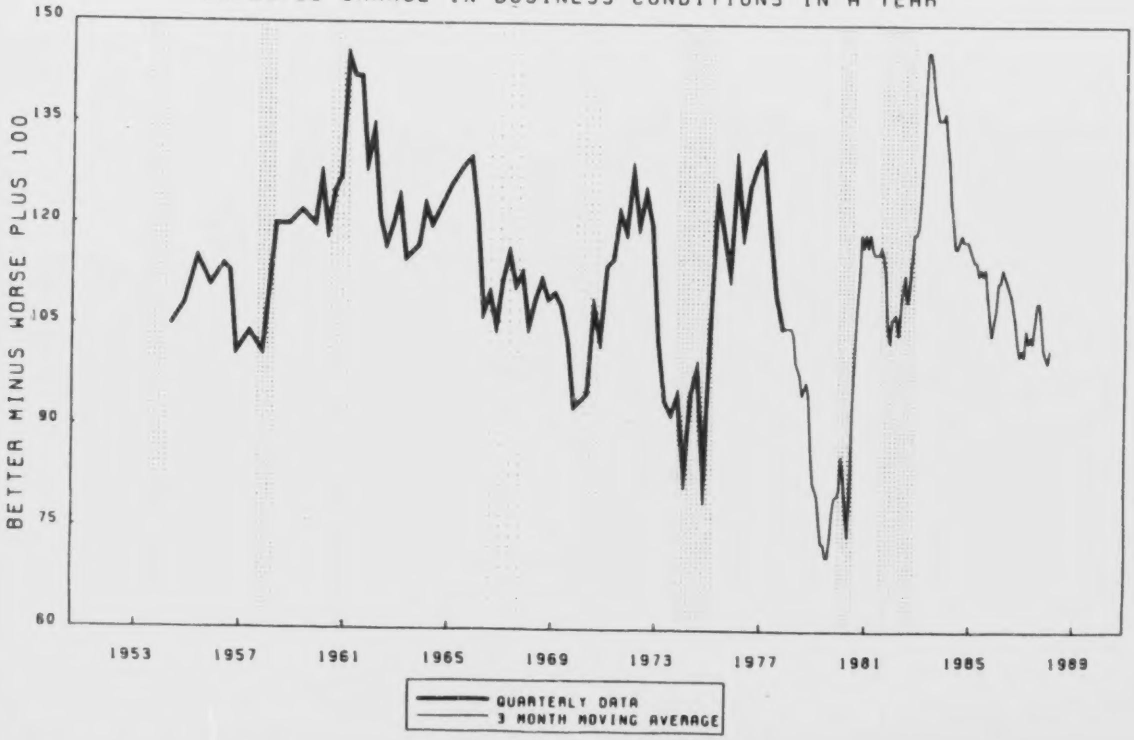


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
BETTER	22%	22%	21%	22%	23%	26%	25%	21%	22%	23%	22%	21%	23%
SAME	54	61	60	57	57	56	57	58	57	52	53	58	58
WORSE	23	14	18	20	19	14	14	17	19	23	23	19	17
DK,NA	1	3	1	1	1	4	4	4	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

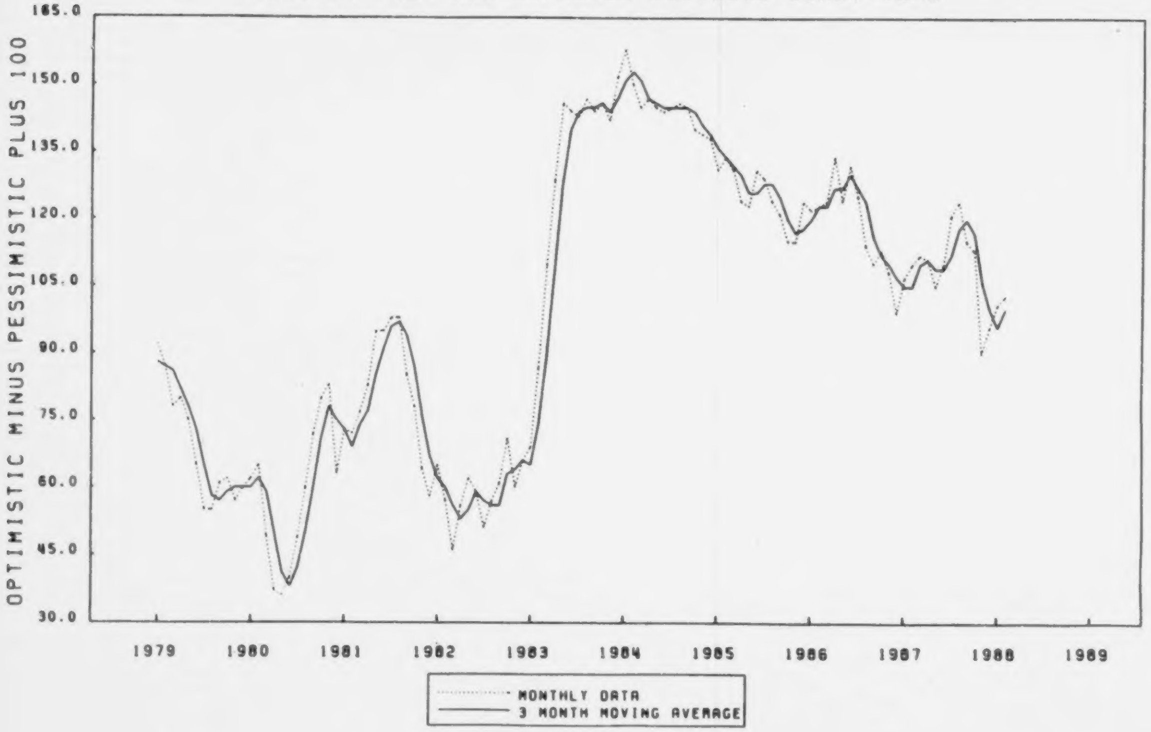


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

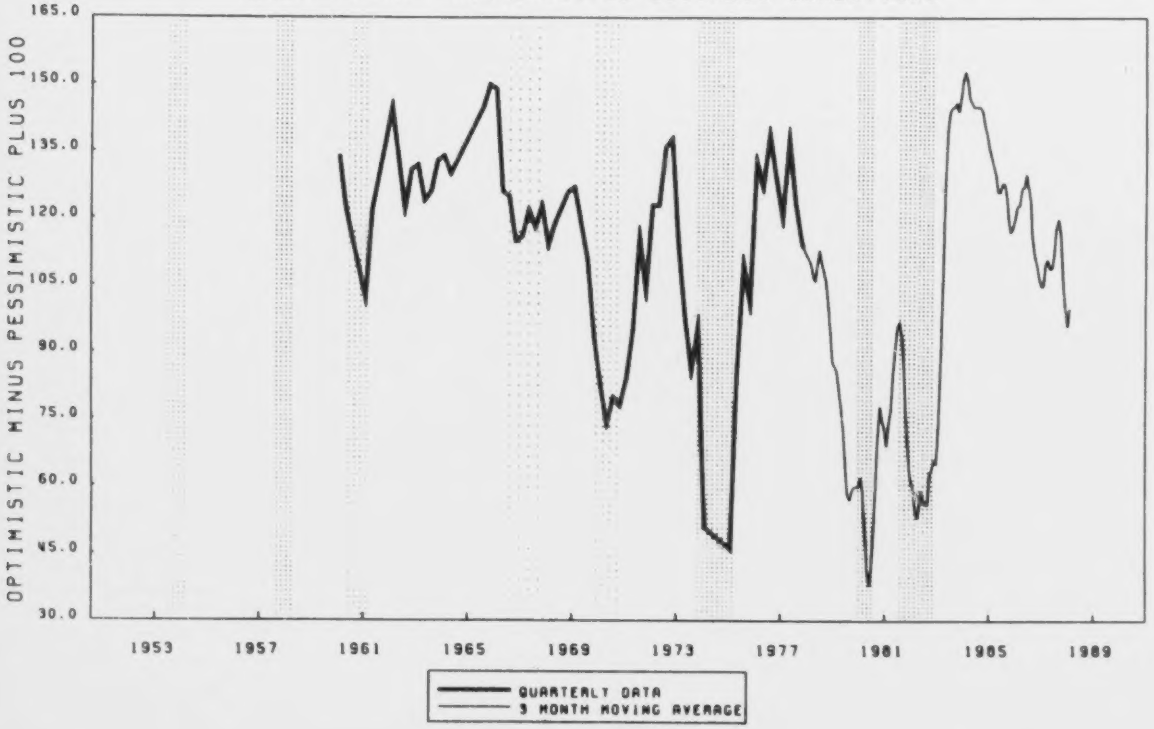


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
TREND:													
Continuous increase (a)	14%	13%	13%	12%	14%	17%	19%	14%	16%	10%	10%	11%	12%
Intermittant increase (b)	32	32	30	28	28	33	33	32	29	22	24	29	27
Remain unchanged (c)	7	11	11	10	11	9	9	9	10	10	10	8	10
Intermittant decline (d)	21	23	22	24	21	19	20	21	21	26	22	25	24
Continuous decline (e)	15	10	10	11	11	10	8	10	11	16	16	14	12
Mixed change (f)	9	7	10	12	12	7	6	9	10	14	13	10	11
DK,NA	2	4	4	3	3	5	5	5	3	2	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

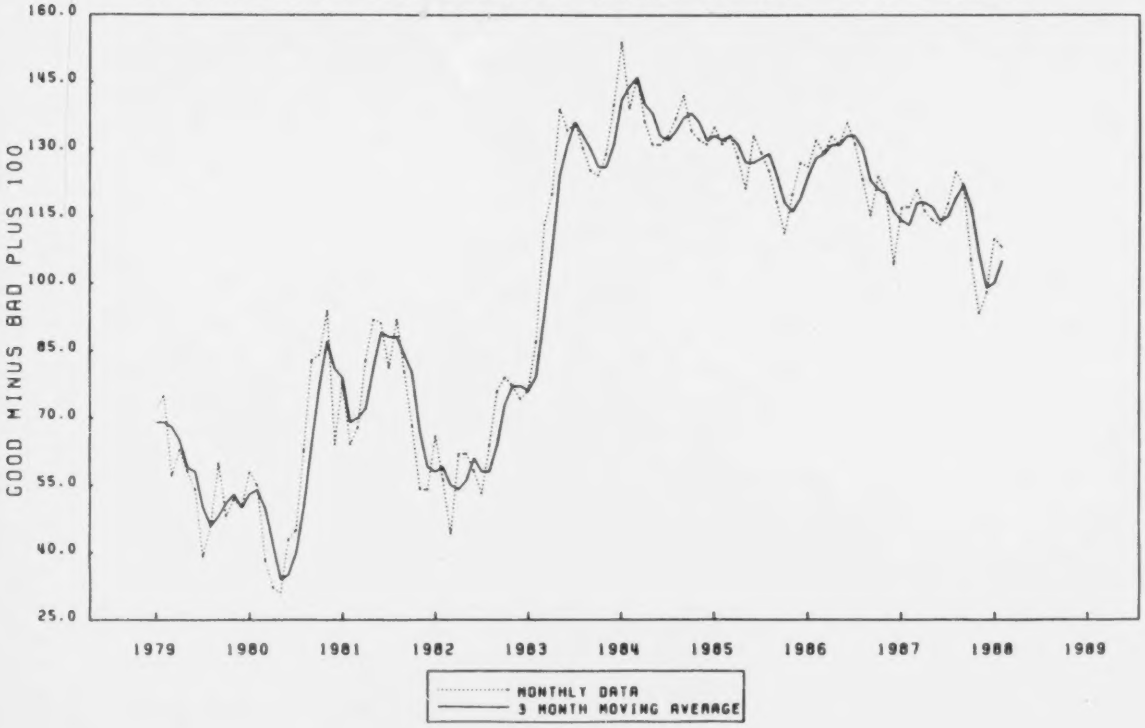


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

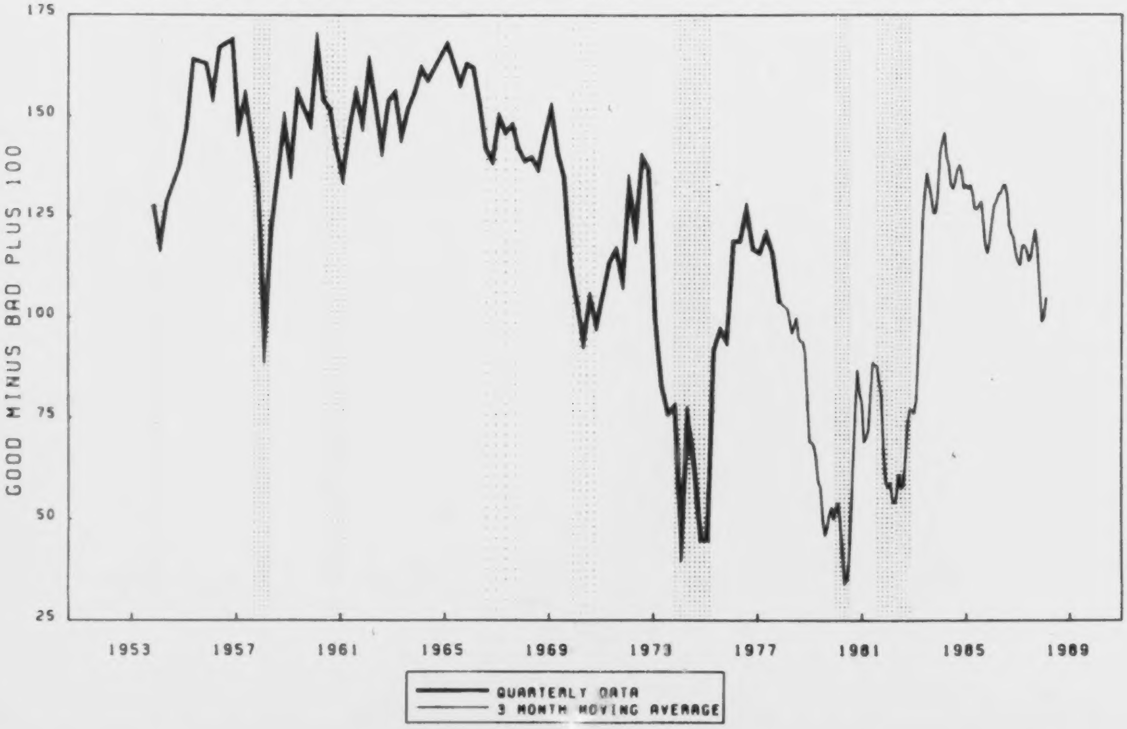


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIMES	53%	55%	51%	51%	50%	51%	55%	51%	43%	38%	41%	47%	45%
UNCERTAIN; GOOD & BAD	1	2	2	1	2	2	3	5	3	2	4	4	4
BAD TIMES	36	34	35	37	37	33	30	29	38	45	43	37	37
DON'T KNOW	5	5	8	5	5	7	7	7	7	8	6	7	7
NOT ASCERTAINED	5	4	4	6	6	7	5	8	9	7	6	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

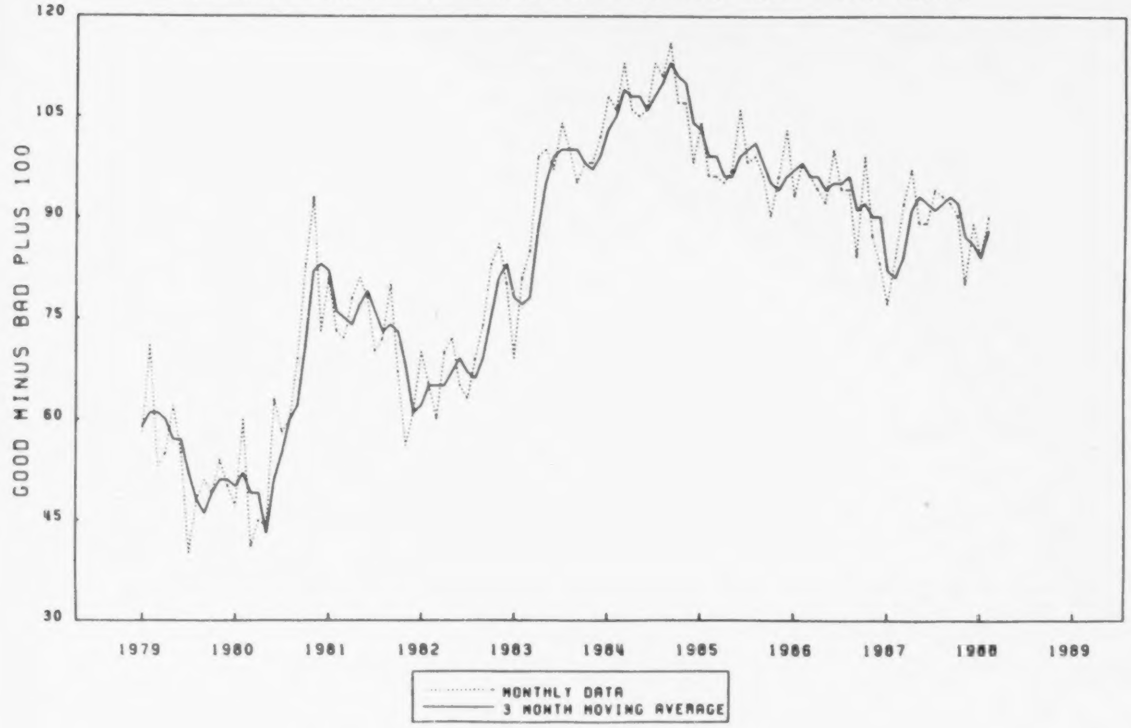


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

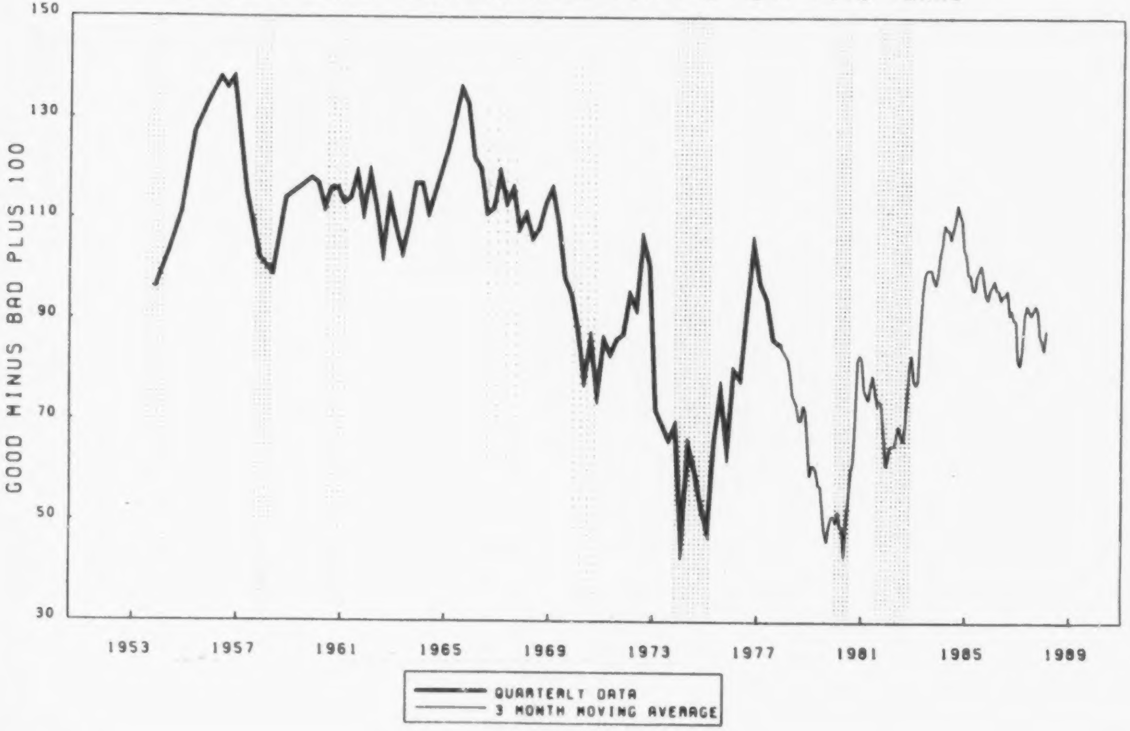


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIMES	34%	39%	41%	36%	37%	36%	36%	37%	36%	31%	33%	34%	35%
UNCERTAIN; GOOD & BAD	12	10	9	13	9	15	16	13	12	13	16	12	15
BAD TIMES	50	47	44	47	48	42	43	45	46	51	44	50	45
NOT ASCERTAINED	4	4	6	4	6	7	5	5	6	5	7	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

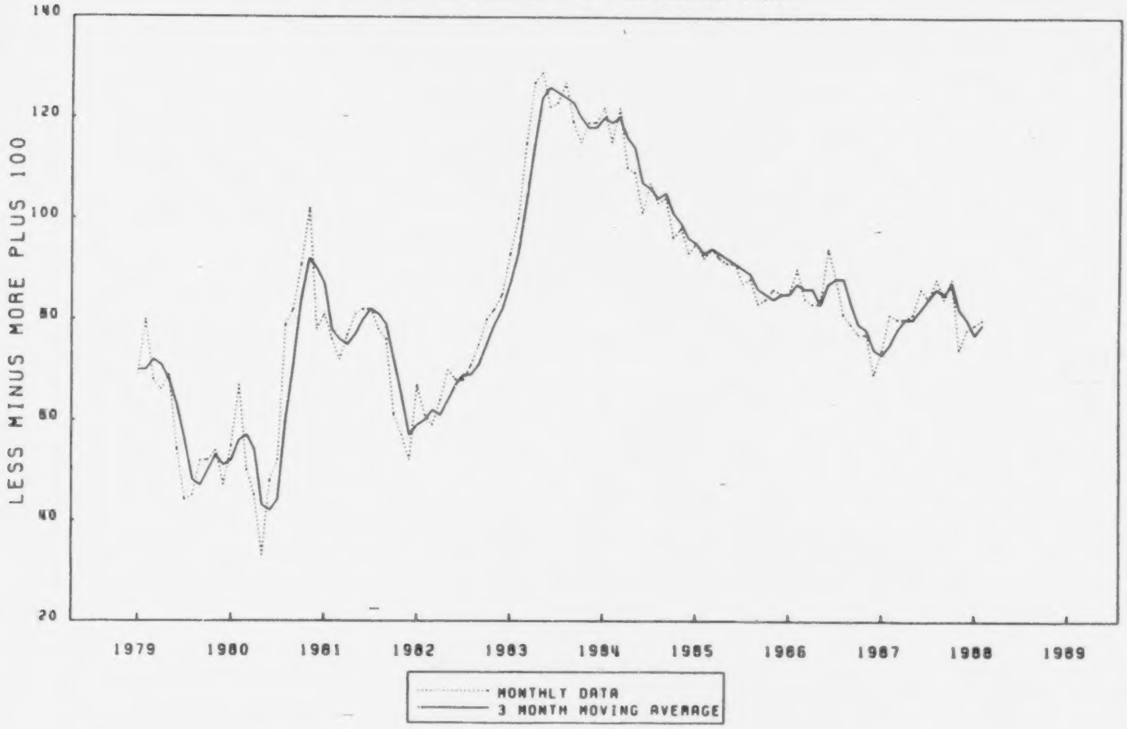


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

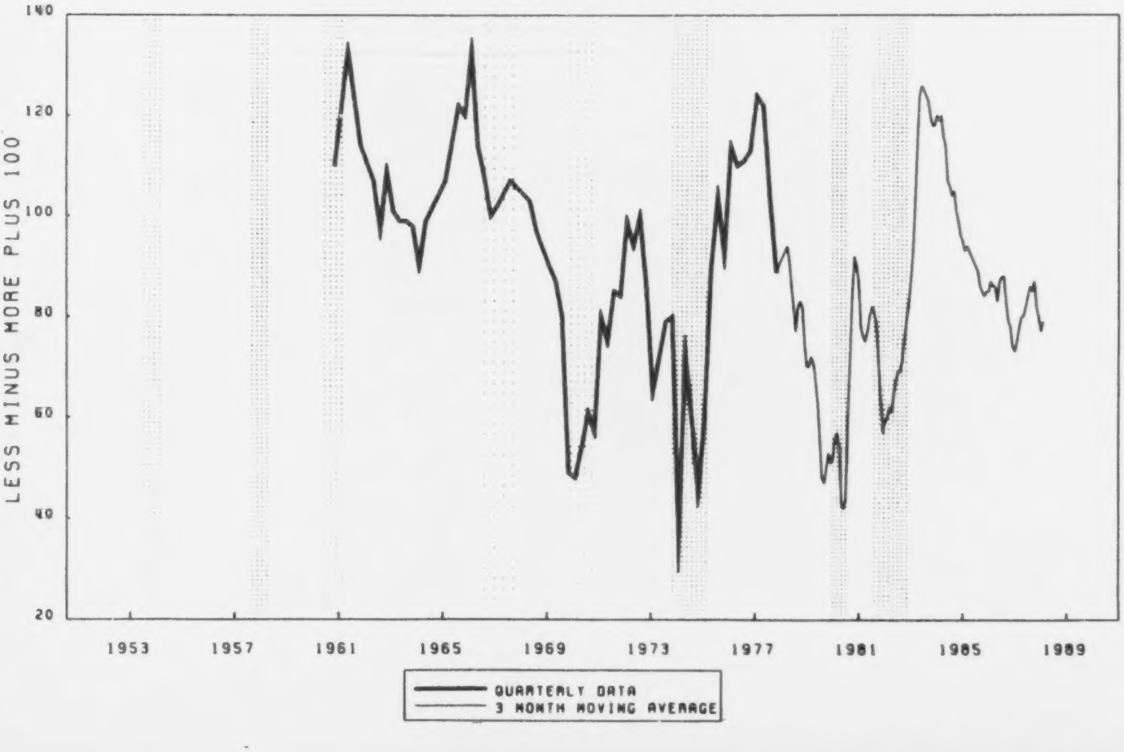


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
LESS	14%	15%	13%	13%	16%	14%	15%	13%	17%	10%	12%	12%	12%
SAME	52	48	52	53	52	55	56	57	52	53	51	54	53
MORE	33	35	33	32	30	30	27	29	29	36	34	33	33
DK.NA	1	2	2	2	2	1	2	1	2	1	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

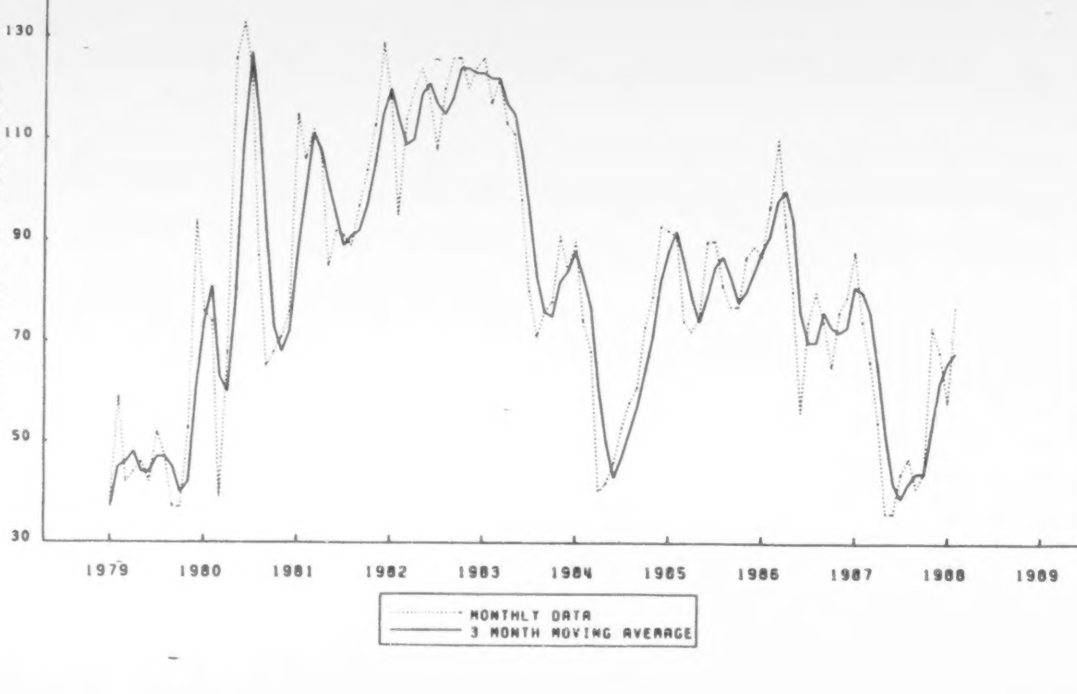


CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

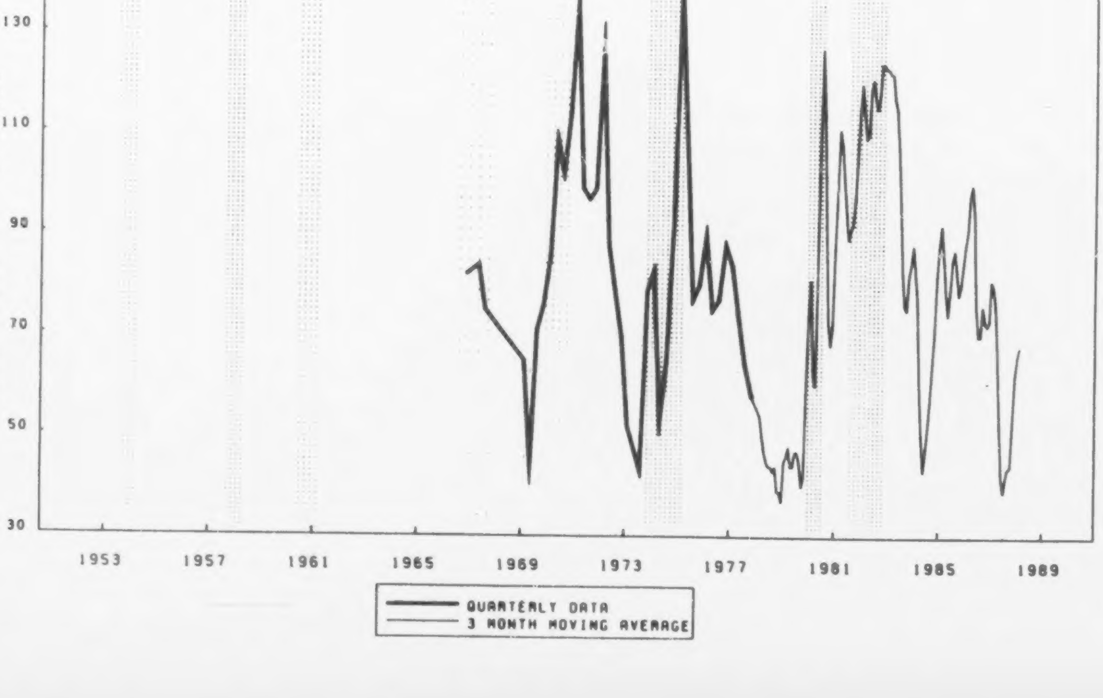


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GO UP	43%	49%	57%	71%	69%	64%	62%	66%	67%	49%	52%	54%	44%
STAY THE SAME	38	33	29	21	24	26	27	24	20	26	26	32	32
GO DOWN	17	15	11	7	5	8	9	7	11	22	20	12	21
DK,NA	2	3	3	1	2	2	2	3	2	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

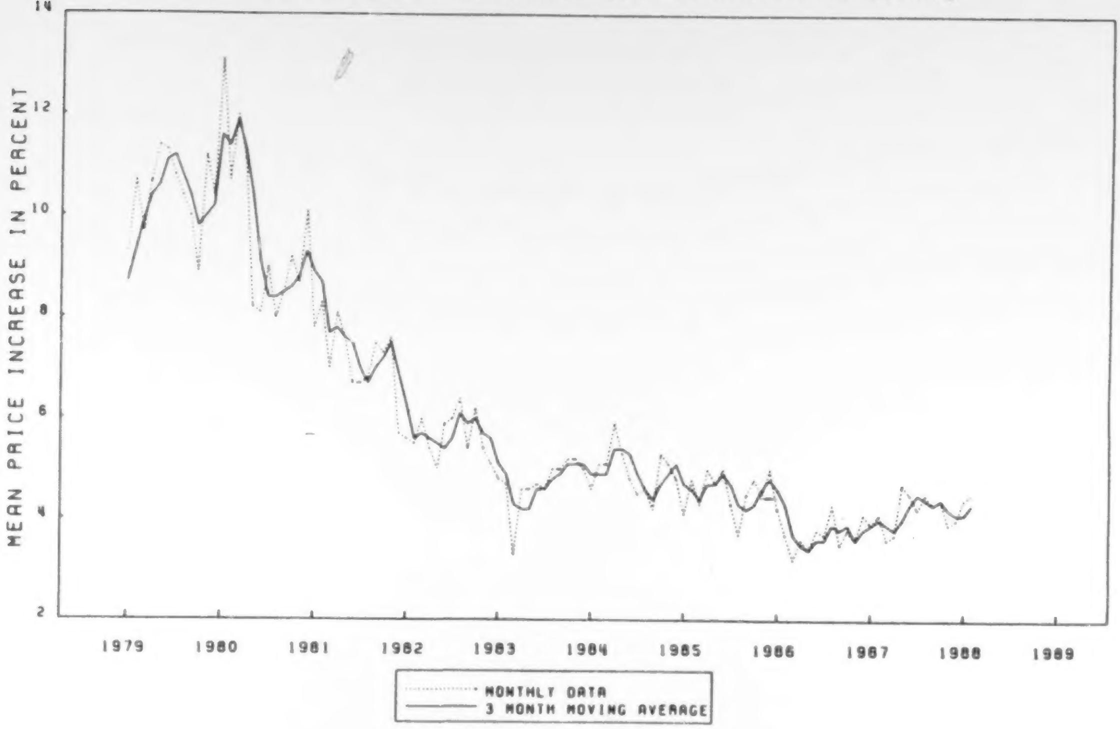


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

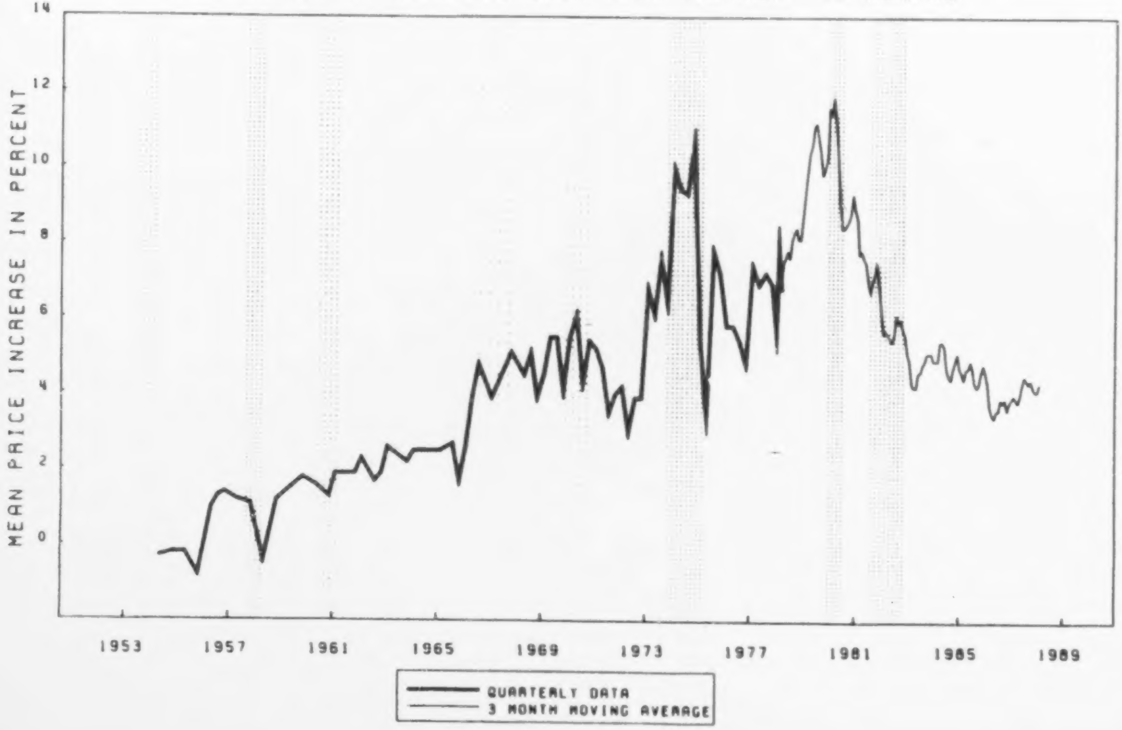


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
SAME OR DOWN	21%	21%	19%	15%	14%	17%	13%	17%	15%	20%	21%	23%	17%
WILL GO UP BY:													
1-2%	17	19	19	18	18	20	20	20	18	16	19	16	21
3-4%	21	21	23	23	25	23	25	24	23	22	21	21	23
5%	18	18	16	18	17	16	17	16	20	20	15	17	16
6-9%	5	6	8	10	7	7	8	6	7	8	8	6	6
10-14%	9	5	7	7	8	9	6	7	8	5	8	7	7
15% or more	4	3	2	4	4	3	4	3	3	4	3	6	5
DK how much up	5	6	6	4	6	4	6	5	5	4	4	3	4
DK,NA	*	1	*	1	1	1	1	2	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.1	3.6	3.7	4.7	4.5	4.2	4.5	4.3	4.4	3.9	4.0	4.4	4.5
VARIANCE	26	18	21	36	27	28	32	41	28	25	26	35	40
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

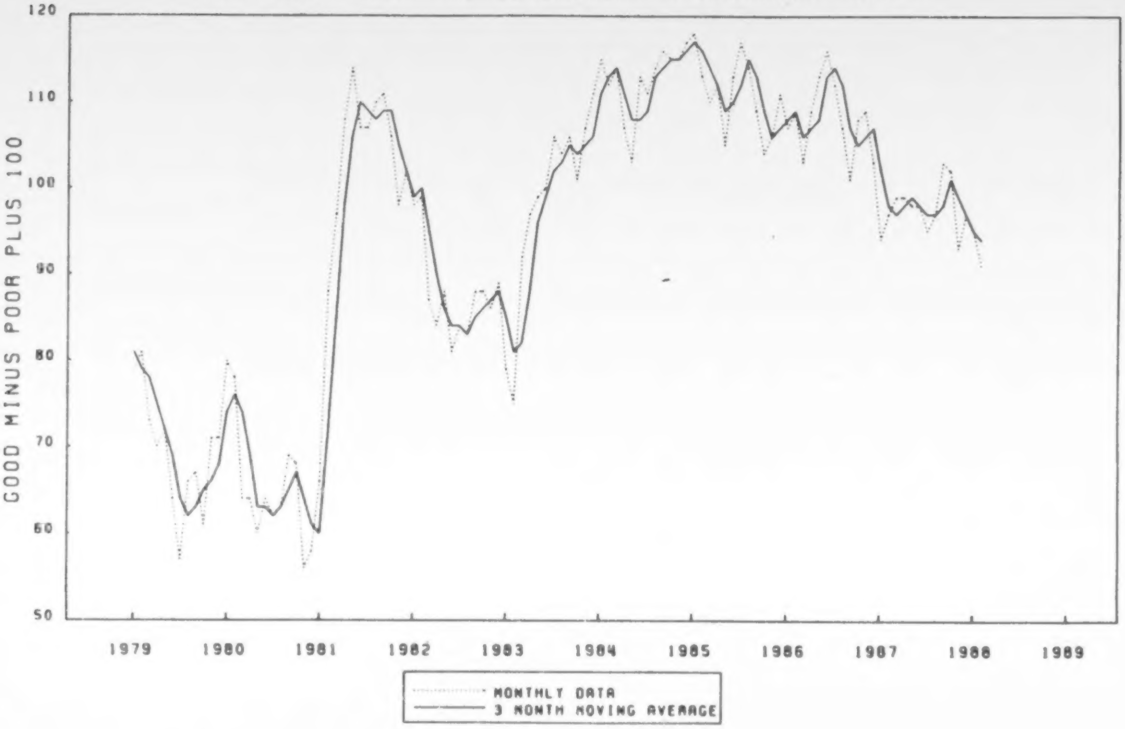


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

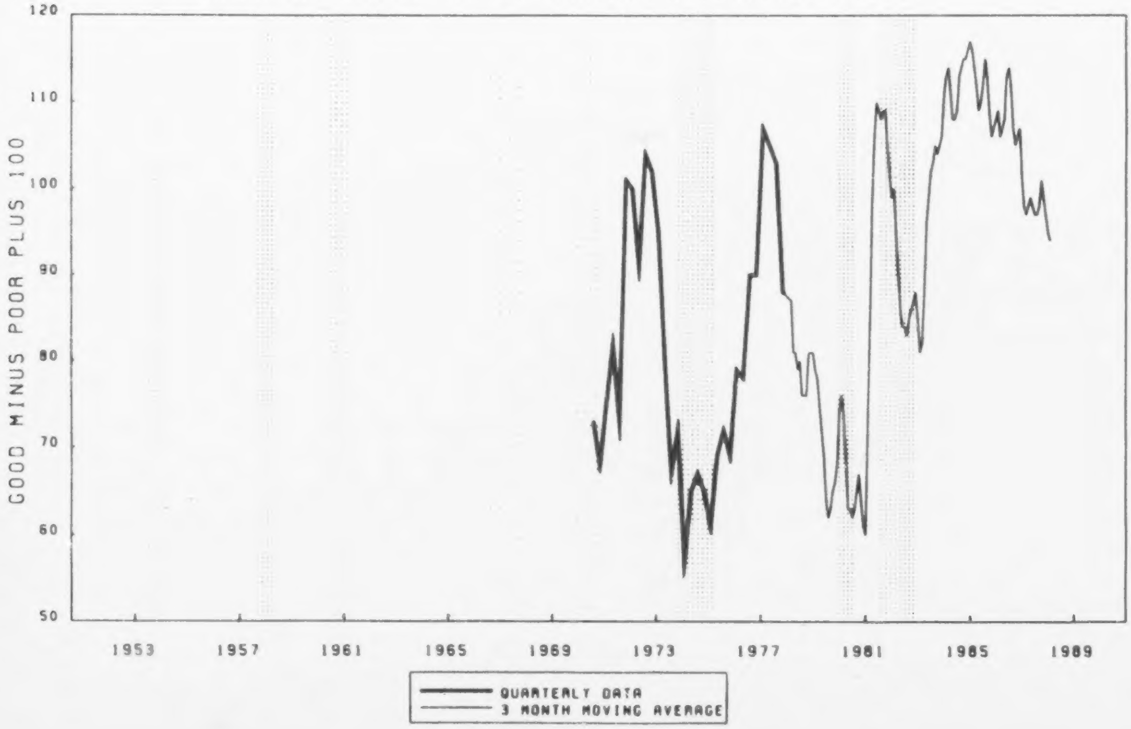


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
A GOOD JOB	23%	23%	21%	21%	23%	21%	23%	23%	25%	18%	19%	17%	18%
ONLY FAIR	49	52	55	55	49	52	48	54	48	54	56	60	53
A POOR JOB	26	24	22	23	25	26	26	20	23	25	22	22	27
DK,NA	2	1	2	1	3	1	3	3	4	3	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

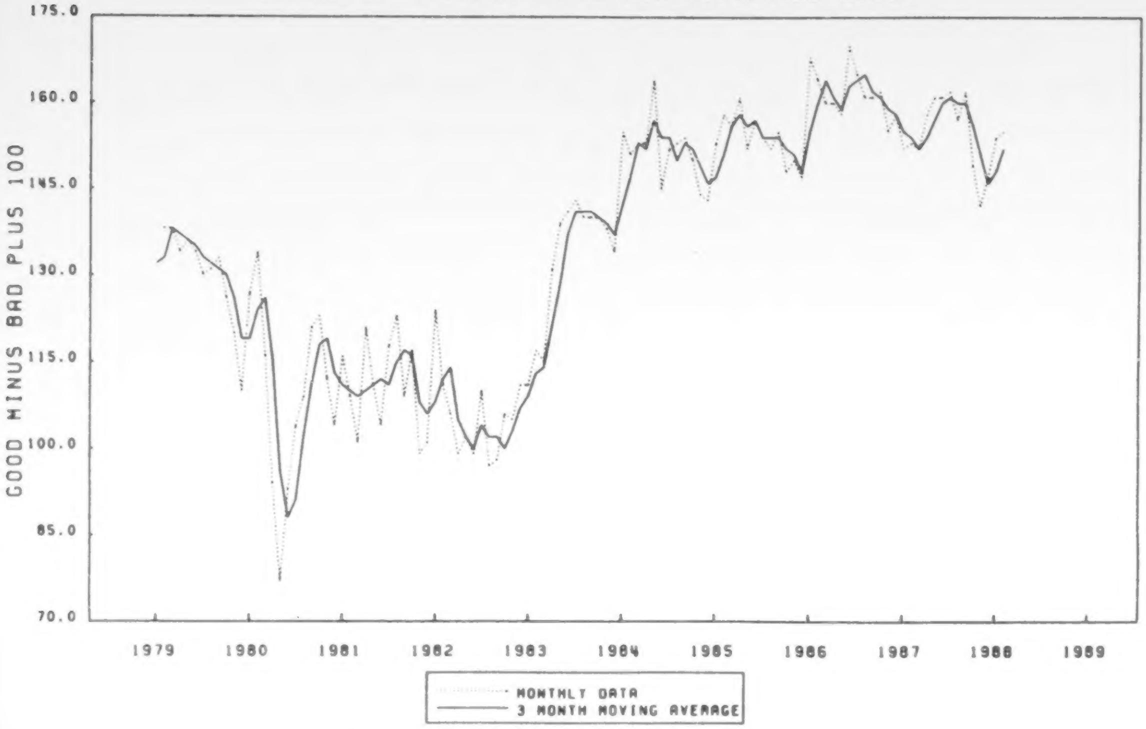


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

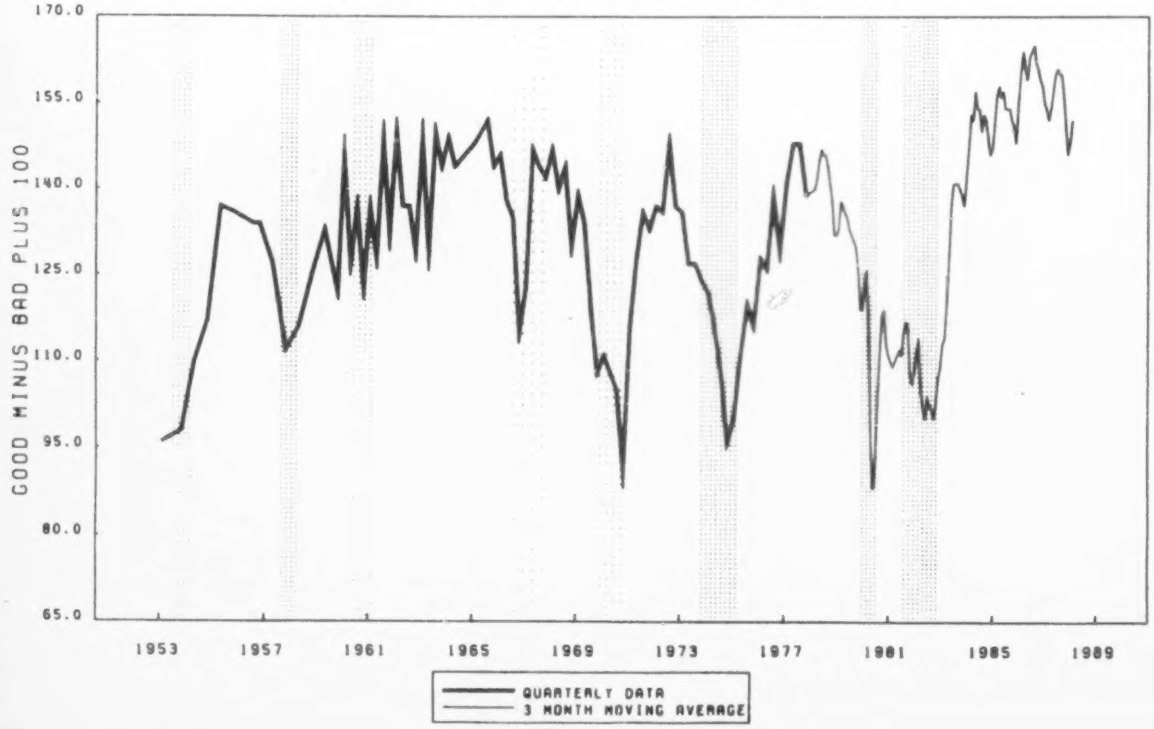


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIME TO BUY	73%	71%	74%	76%	76%	76%	74%	75%	69%	66%	69%	72%	72%
UNCERTAIN, DEPENDS	7	10	10	9	9	10	9	12	11	10	9	10	11
BAD TIME TO BUY	20	19	16	15	15	14	17	13	20	24	22	18	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

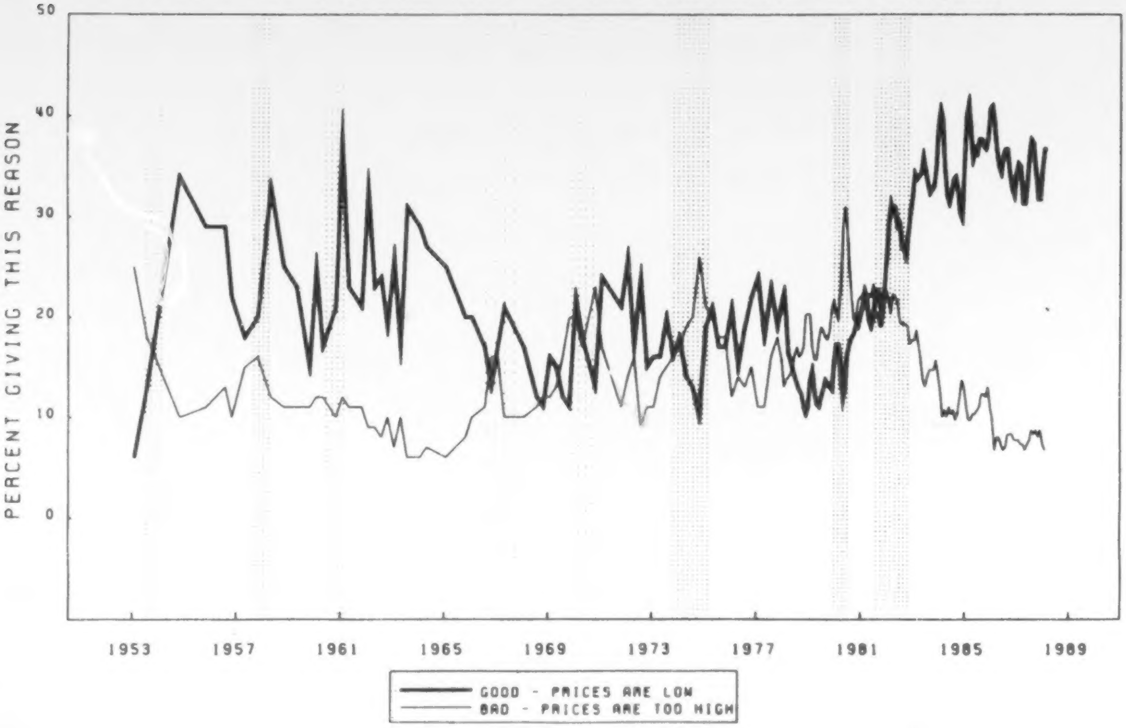


CHART 22B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

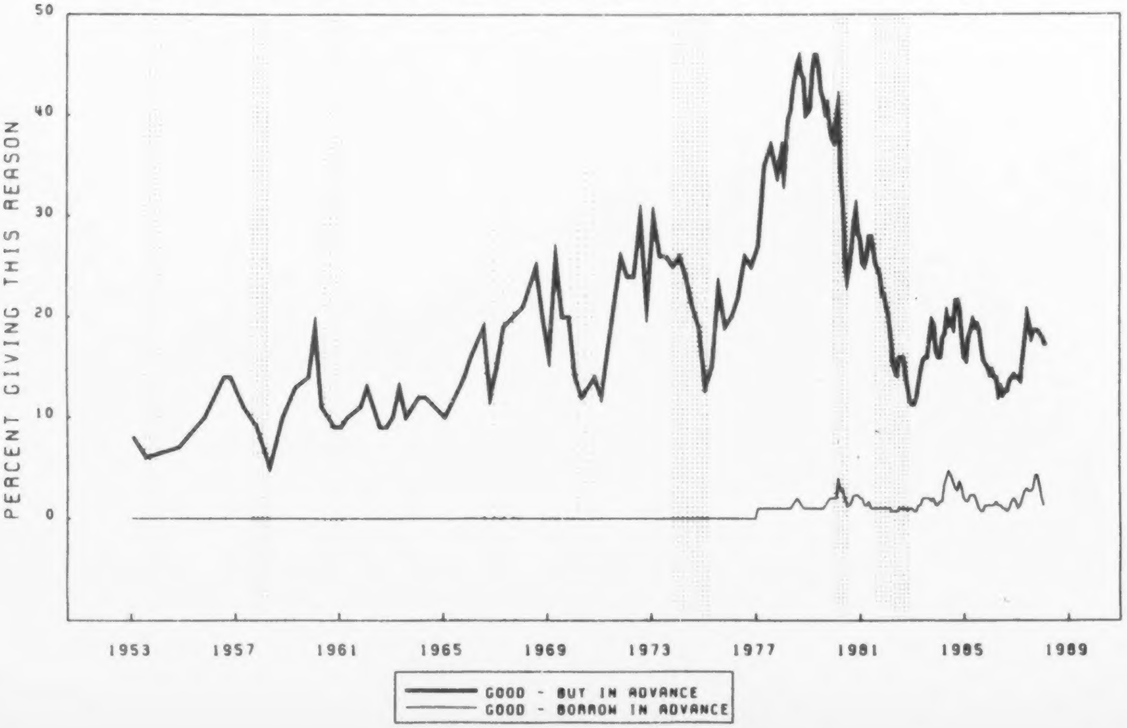


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	32%	29%	33%	38%	37%	38%	37%	28%	30%	37%	37%	36%
Prices won't come down; are going higher	14	14	20	20	21	17	16	23	17	16	22	16	14
Interest rates low	20	21	18	16	12	11	15	11	9	11	8	6	8
Borrow-in-advance rates	1	2	3	3	3	2	3	4	6	3	1	2	1
Times are good; prosperity	6	6	7	6	5	6	6	6	7	4	4	6	7
BAD TIME TO BUY:													
Prices are high	8	7	7	6	9	8	9	8	9	7	10	5	5
Interest rates are high; credit is tight	4	4	3	3	3	3	4	4	4	8	6	4	5
Times are bad; can't afford to buy	5	6	4	3	4	3	5	2	6	4	4	8	6
Bad times ahead; uncertain future	2	2	1	2	2	2	1	1	4	10	5	4	4

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

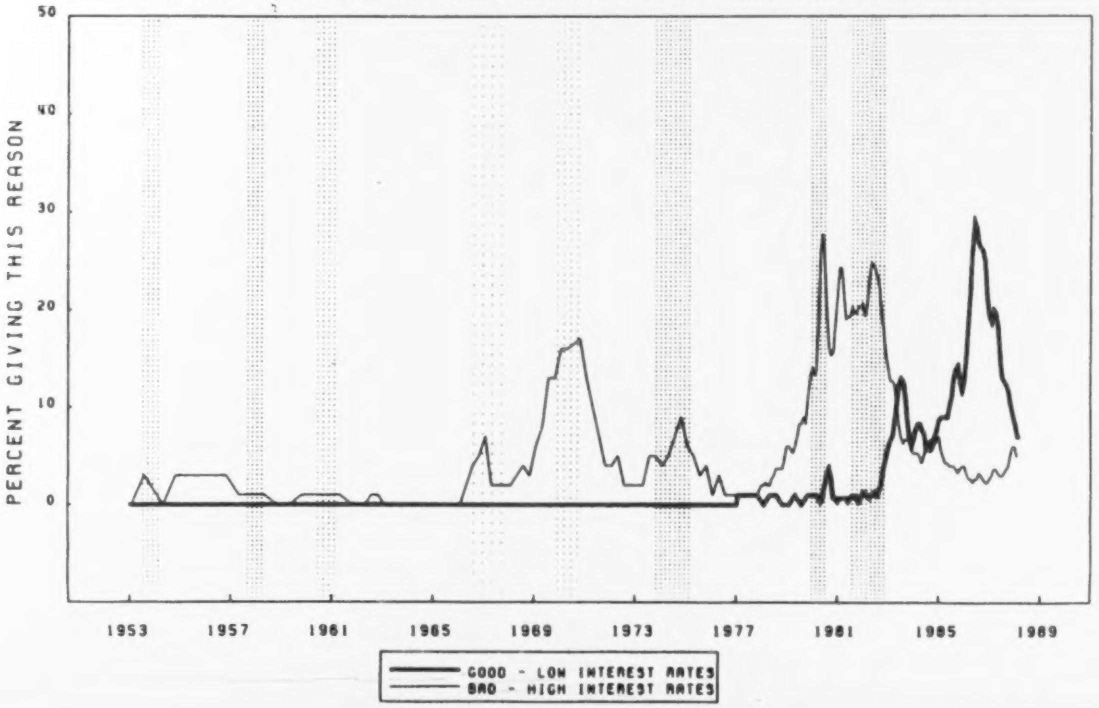


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

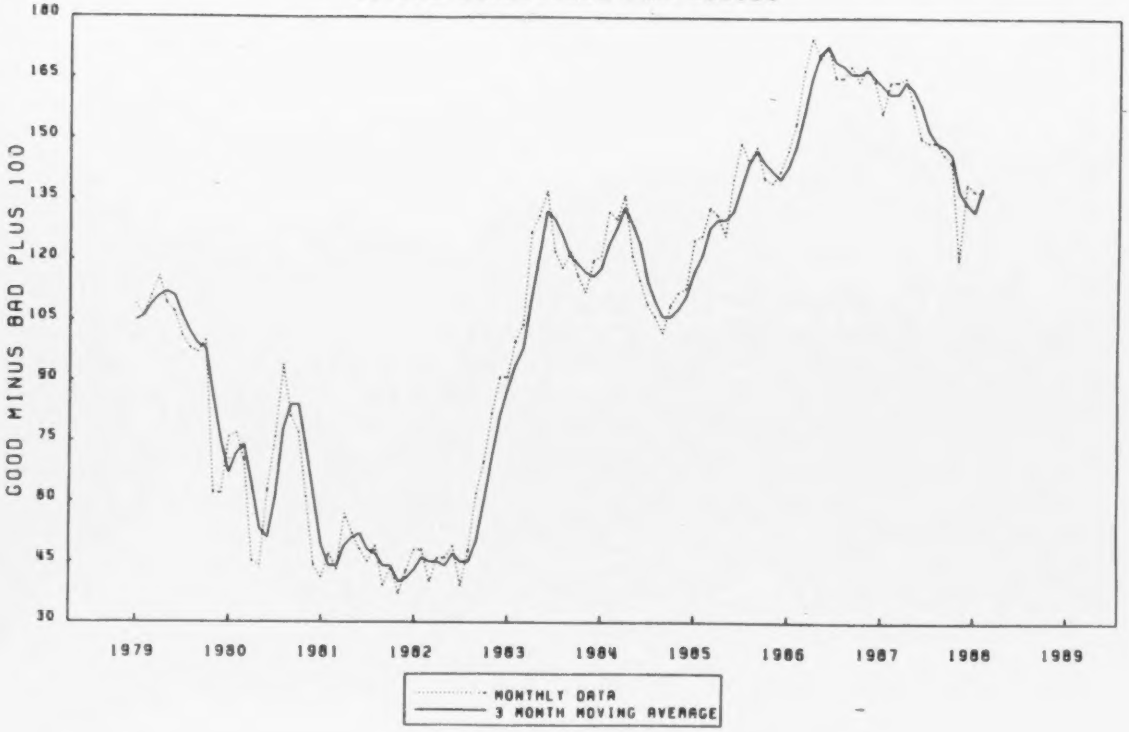


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

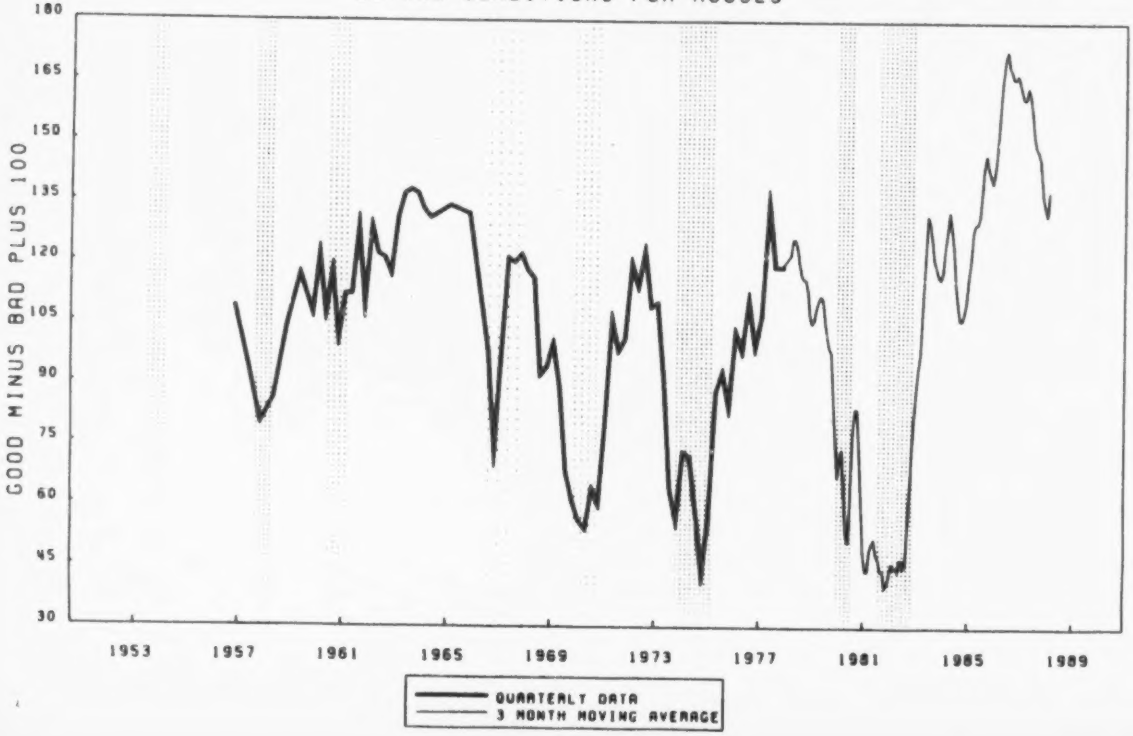


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIME TO BUY	81%	80%	82%	77%	73%	72%	73%	71%	70%	58%	68%	67%	67%
UNCERTAIN, DEPENDS	2	4	1	4	4	5	3	4	4	4	3	3	3
BAD TIME TO BUY	17	16	17	19	23	23	24	25	26	38	29	30	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

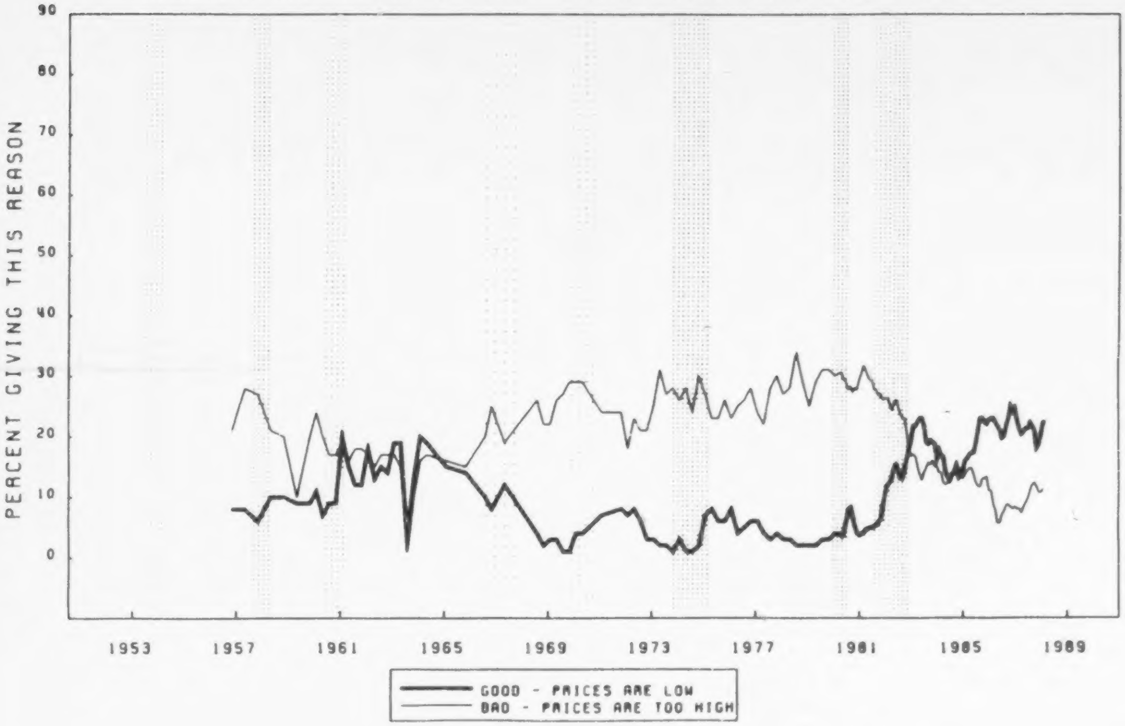


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

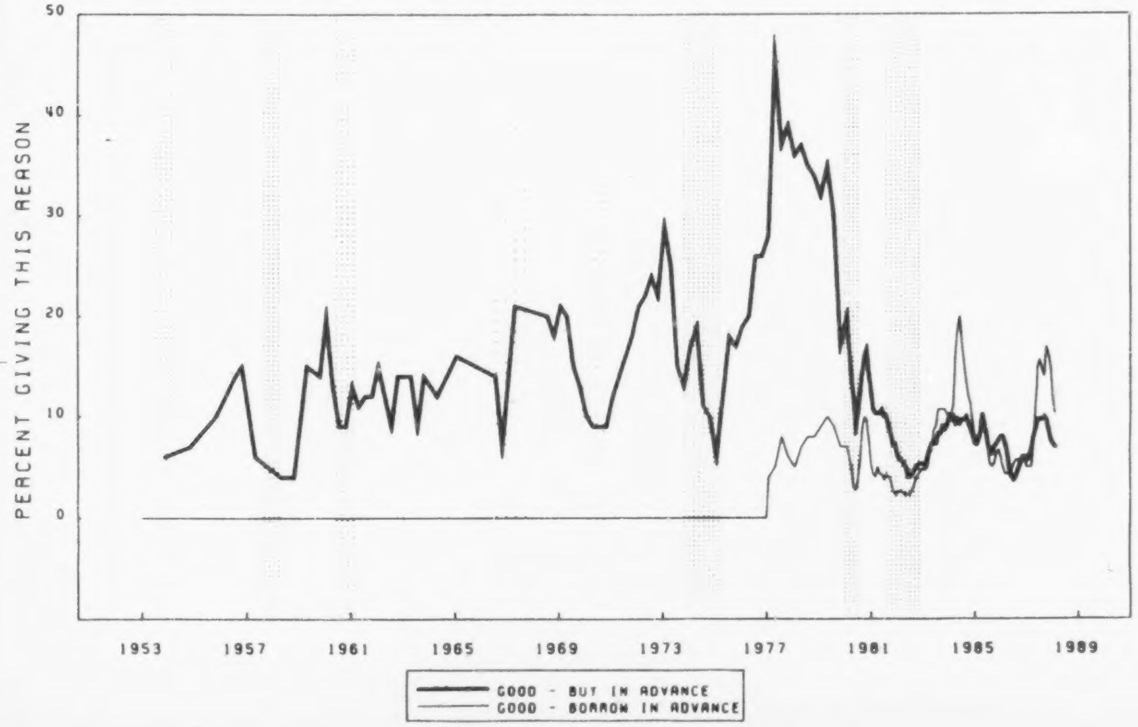


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	19%	21%	22%	21%	21%	25%	19%	19%	16%	21%	24%	22%
Prices won't come down; are going higher	7	8	9	9	11	9	9	12	8	6	9	7	5
Interest rates low	68	66	60	50	45	46	44	37	33	32	40	35	44
Borrow-in-advance rates	6	5	11	16	18	13	13	16	22	11	12	13	6
Good investment	3	6	7	5	5	6	7	7	6	7	9	7	4
Times are good; prosperity	2	5	2	4	2	4	2	5	3	3	3	3	4
BAD TIME TO BUY:													
Prices are high	6	8	8	9	10	10	13	13	11	11	10	11	13
Interest rates are high; credit is tight	6	6	4	9	12	12	10	13	18	19	13	13	15
Times are bad; can't afford to buy	5	6	5	5	5	4	5	5	7	5	7	10	7
Bad times ahead; uncertain future	3	1	3	2	3	1	3	3	4	13	7	5	4

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

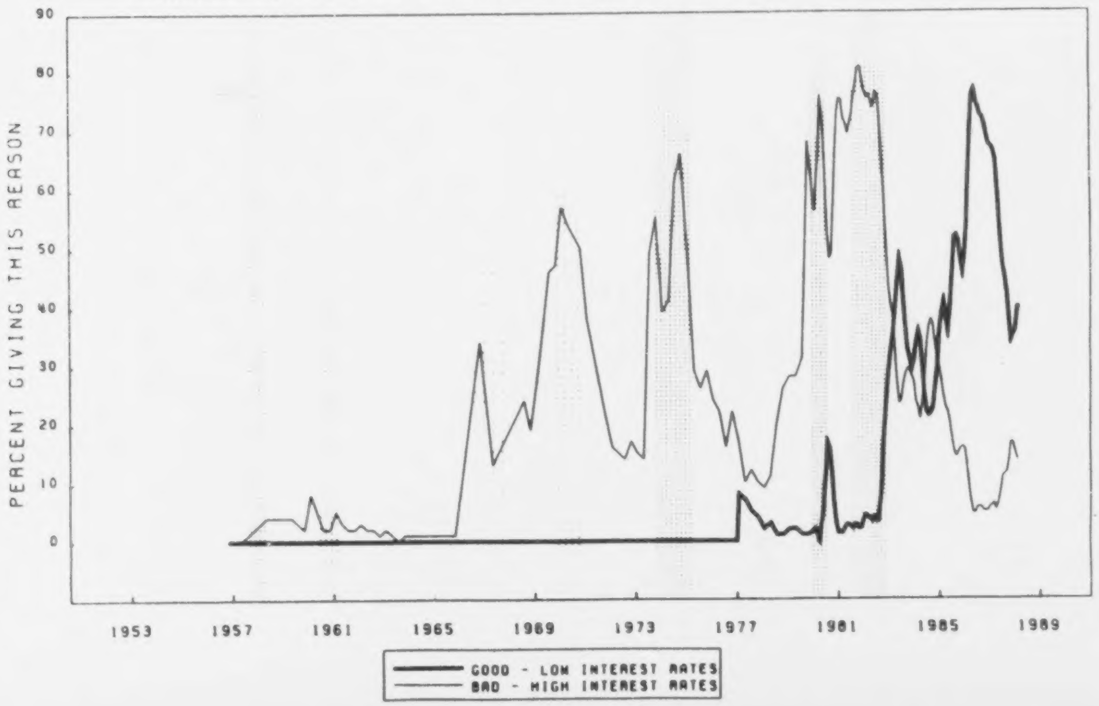


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

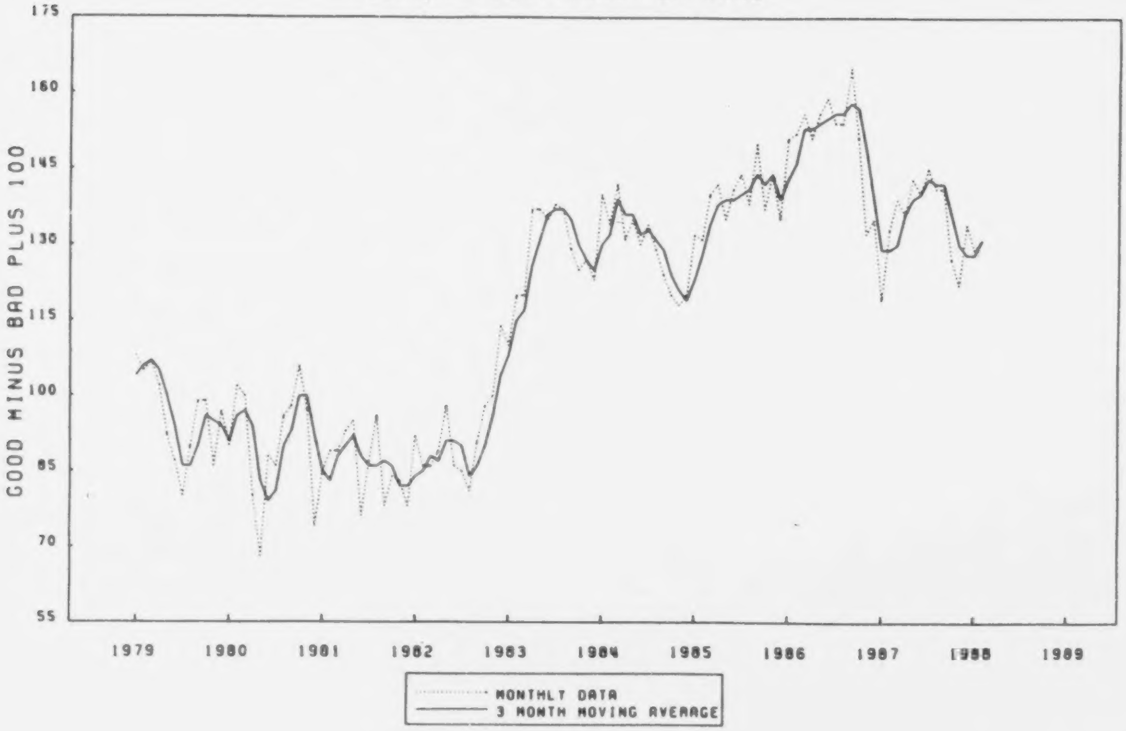


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

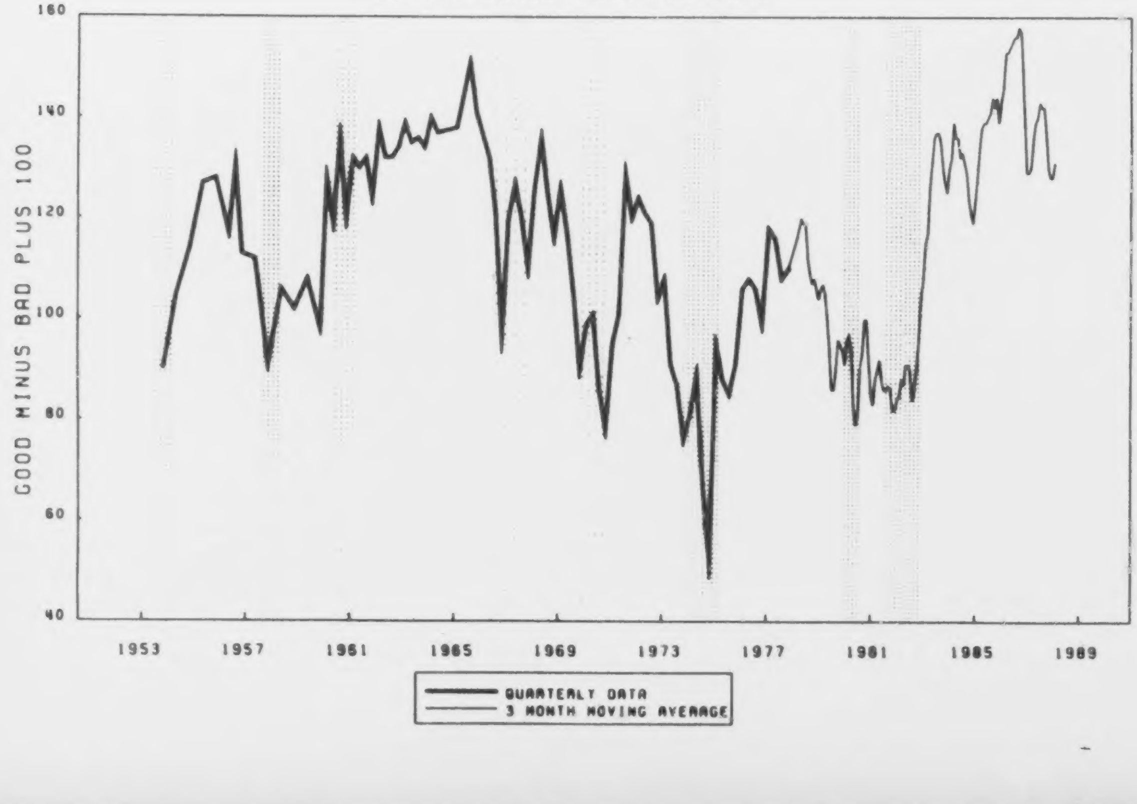


TABLE 25

BUYING CONDITIONS FOR CARS

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIME TO BUY	62%	66%	64%	67%	65%	67%	66%	66%	58%	57%	64%	59%	59%
UNCERTAIN; DEPENDS	9	7	8	9	10	11	9	9	11	8	6	11	13
BAD TIME TO BUY	29	27	28	24	25	22	25	25	31	35	30	30	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	657	652	652	651	654	651	654	650	500	501	500	502	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

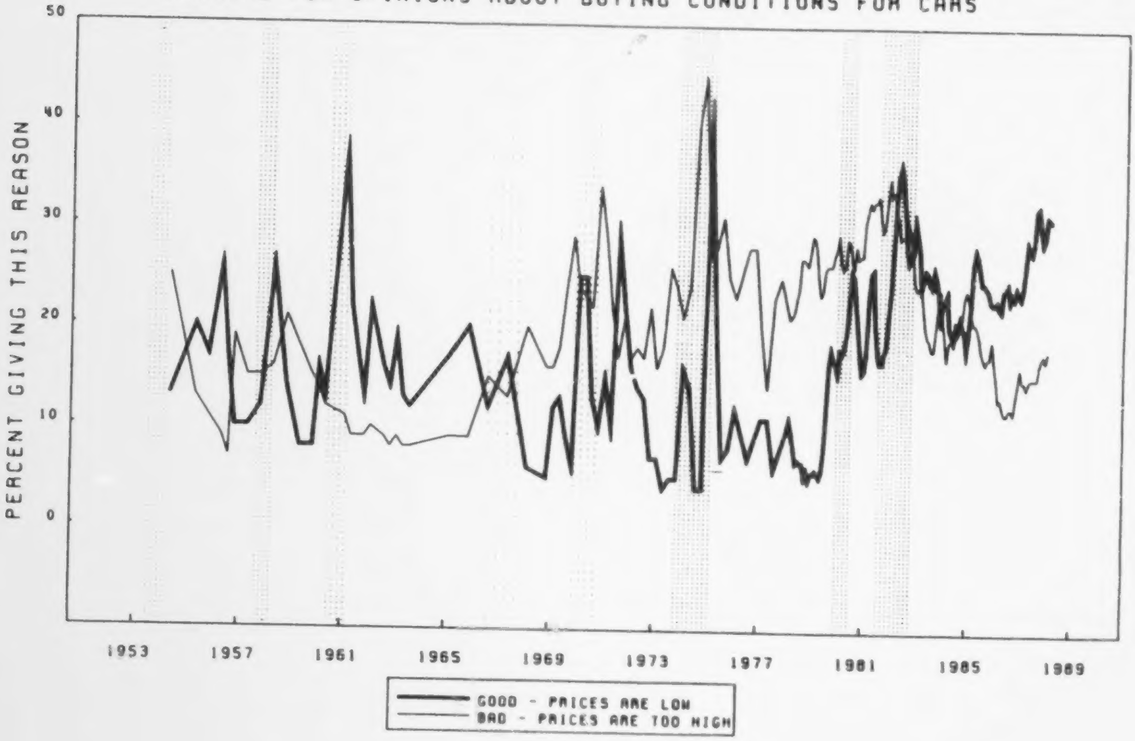


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

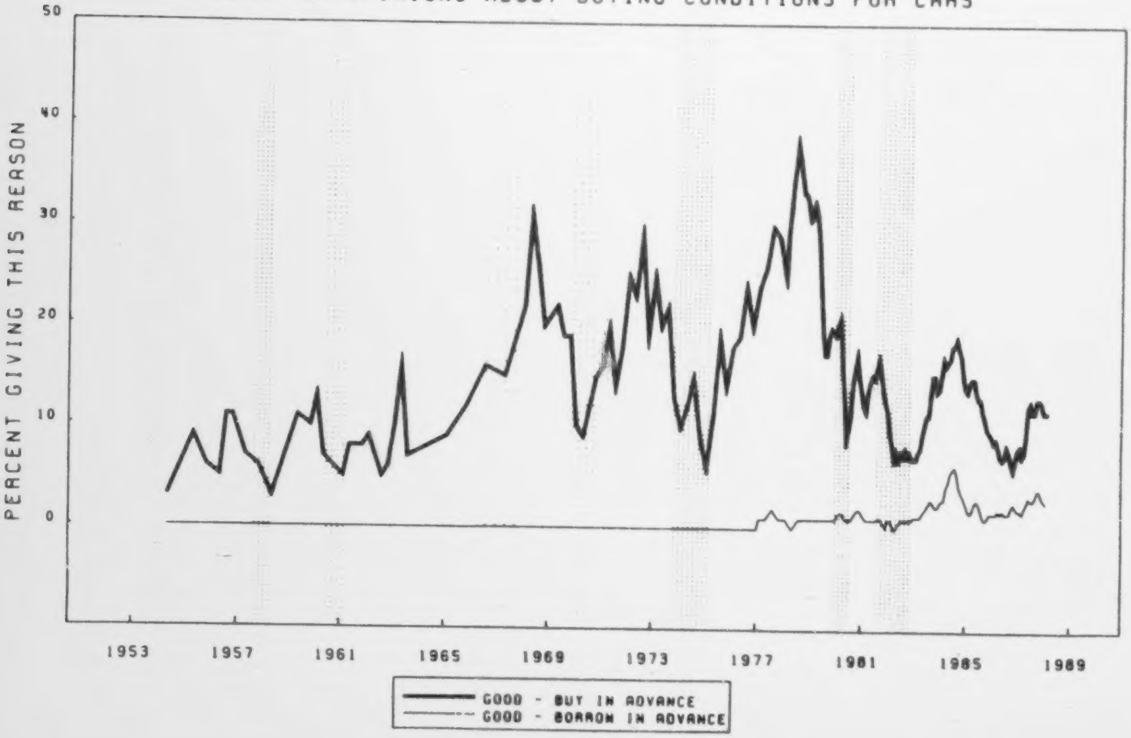


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	29%	29%	28%	27%	28%	32%	36%	29%	26%	31%	31%	32%	30%
Prices won't come down; are going higher	8	6	9	13	15	10	10	15	14	10	14	11	10
Interest rates low	36	43	37	37	35	28	35	36	22	21	21	20	20
Borrow-in-advance rates	2	1	4	3	3	3	3	4	5	3	2	4	2
Times are good; prosperity	2	1	3	2	*	3	2	2	4	2	2	3	3
BAD TIME TO BUY:													
Prices are high	13	15	15	15	16	15	15	16	19	17	17	17	20
Interest rates are high; credit is tight	4	4	2	6	5	5	5	4	7	10	9	5	8
Times are bad; can't afford to buy	3	3	3	3	3	3	3	3	3	4	4	5	4
Bad times ahead; uncertain future	3	2	2	2	1	1	*	1	3	9	4	3	2
Poor selection; quality	2	2	3	3	2	3	5	4	2	2	4	4	3

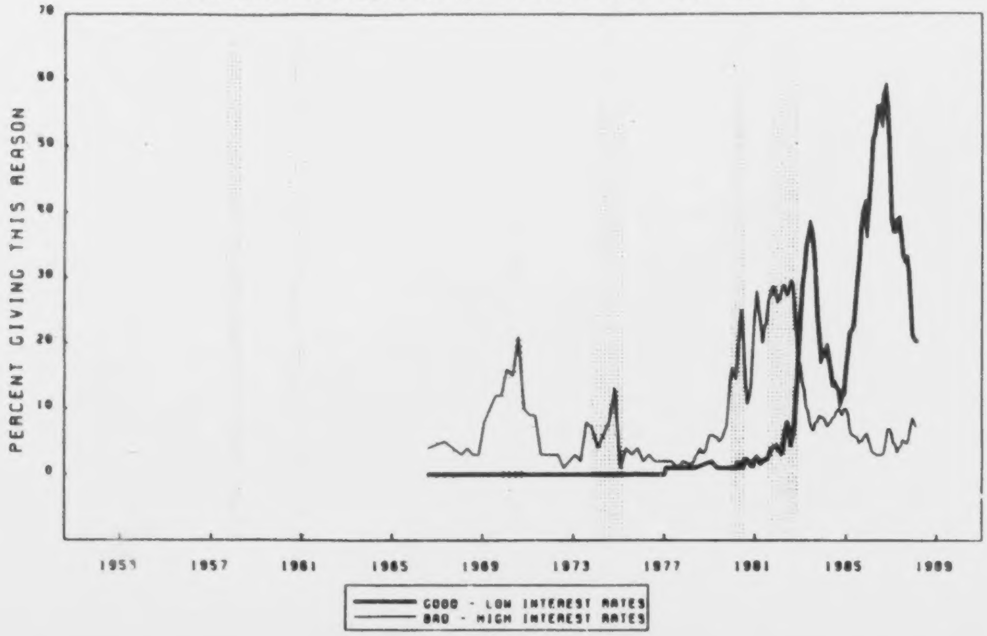
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

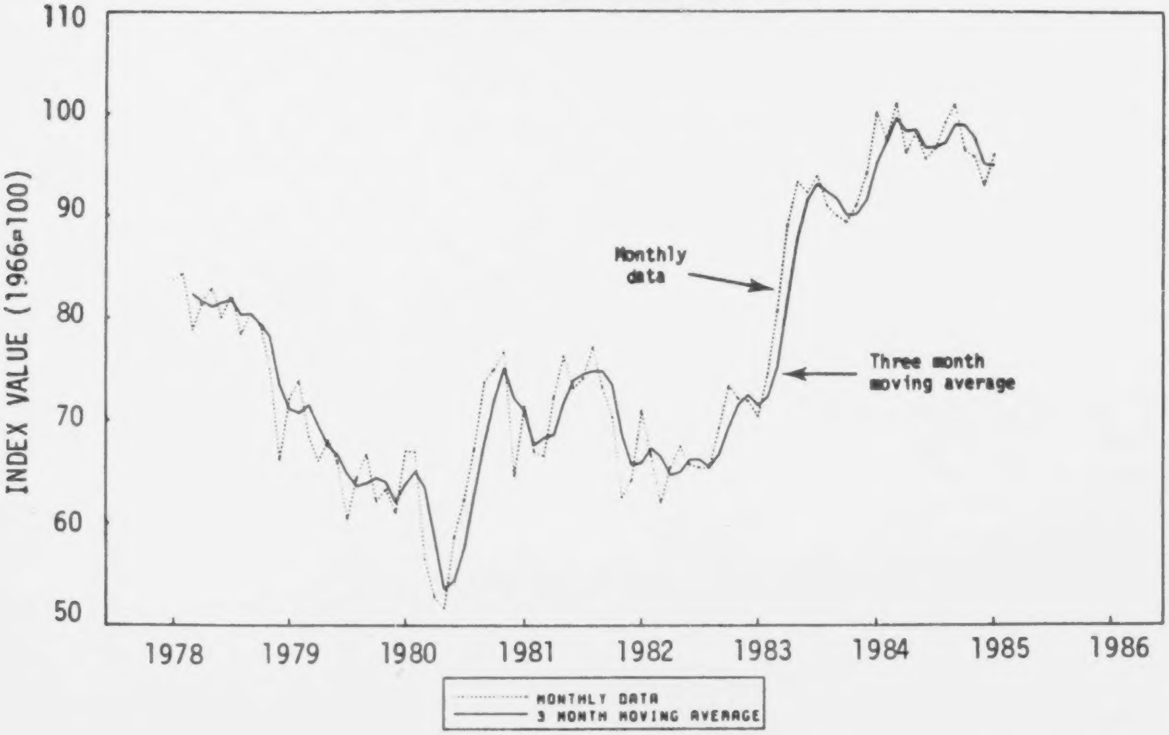
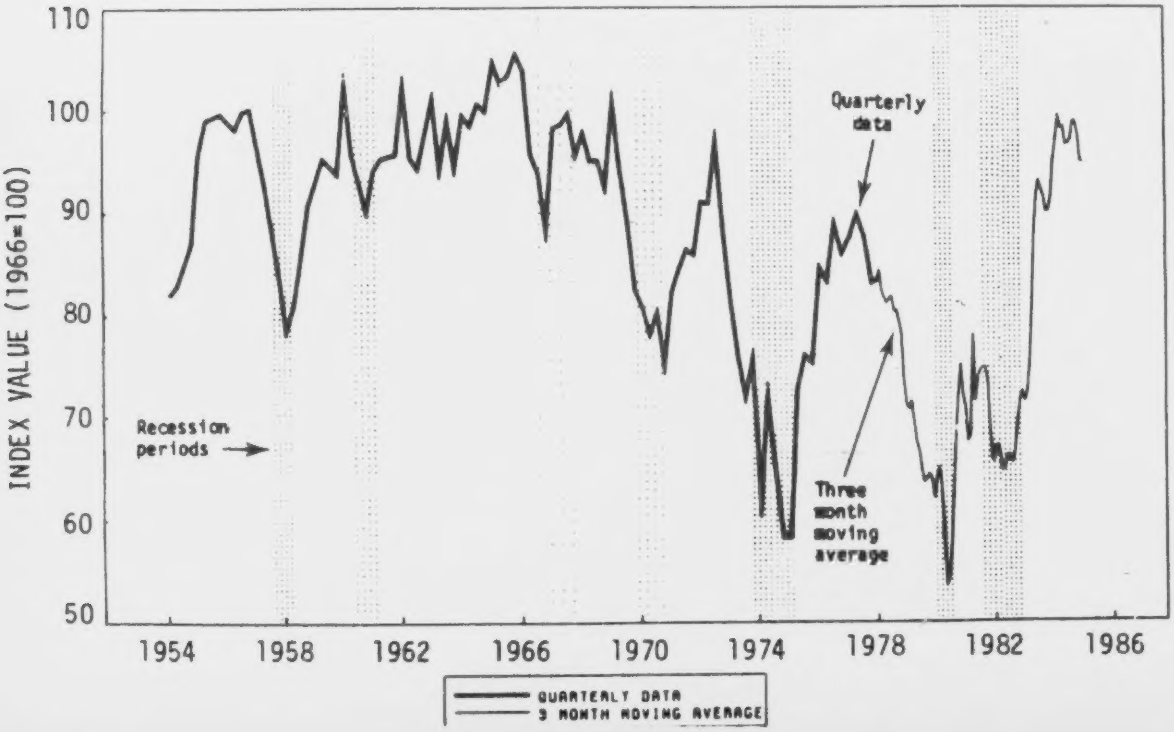


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

U 7475-2

April 1, 1988

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

MARCH 1988 MONTHLY REPORT

Surveys of Consumers

Richard T. Curtin, *Director*

REBOUND IN CONFIDENCE CONTINUES: PERSONAL FINANCES SETS PACE

- The Index of Consumer Sentiment rose to 94.6 in the March 1988 survey, up from 91.6 in February. This sharp rebound from the post crash low of 83.3 recorded in November 1987 has brought the Index to its highest level since 1986. The fall in confidence following the stock market crash was largely confined to expectations concerning the general economy, with little impact on personal financial evaluations. Consumers' views toward economic prospects in general as well as personal finances have improved since then. While the rebound in the outlook for the general economy has reversed the post crash losses, it still leaves these expectations less favorable that one or two years earlier. In contrast, the improvement in personal finances has brought these evaluations to record levels.

- Among families with incomes of $30,000 or more, the Index rose to 103.7 in the March 1988 survey from 98.1 in February.

- Since the start of 1988, consumers have voiced very positive views of their personal financial situation. Among all families in the March 1988 survey, 49 percent reported that their financial situation had improved during the past year. In only one prior survey, conducted almost a quarter century earlier, was a higher proportion recorded—and it was just one percentage point higher (50 percent in May 1965). When asked to explain why their financial situation had improved, more families in the March 1988 survey reported that their family income had increased than since the mid 1960s. Among all families, 40 percent reported income increases in March 1988, just above the already improved 39 percent recorded in both January and February.

- Financial prospects for the year ahead have also been viewed very favorably since the start of 1988. Among all families in the March 1988 survey, 39 percent expected their financial situation to improve during the year ahead, unchanged from one month earlier but significantly above the year earlier reading of 33 percent. In comparison, just 6 percent of all families in the March 1988 survey expected their financial situation to worsen during the year ahead. This improvement has been paced by the expectation of larger income increases during the year ahead. Income increases were expected by 60 percent of all families in March 1988, up from 57 percent one year earlier; income increases of 6% or more were expected by 31 percent in March 1988, up from 23 percent one year earlier.

- Job prospects were also viewed more favorably. The proportion of families that expected increases in the national unemployment rate fell to 28 percent in the March 1988 survey, from 36 percent in November and 35 percent one year earlier. While few families expected further decline in the unemployment rate in March (12 percent), given that unemployment is now at a nine year low, the 58 percent that expected an unchanged unemployment rate during the year ahead is clearly a very positive outlook.

- Consumers views of economic conditions in the country as a whole have improved significantly over the post crash lows, but they still remain less favorable than a year earlier. Among all families in the March 1988 survey, 47 percent expected good times financially, up from 38 percent in November, but it remained below the 55 percent recorded last March. Overall, the majority of families (58 percent) expected the performance of the national economy to remain unchanged during the year ahead.

- Attitudes toward buying conditions for homes continued to post gains in the March survey. Among all families, favorable attitudes toward buying conditions for homes were held by 71 percent in March, up from 67 percent in February and substantially above the post crash low of 58 percent in November. More favorable perceptions of both home prices and mortgage rates have been responsible for this improvement. Among all families in the March survey, 27 percent mentioned the appeal of current prices, up from 16 percent in November. Lower mortgage rates were mentioned by 47 percent in March, up from 32 percent in November. Despite the strong recent improvement, home buying attitudes still remain less favorable than a year earlier, when 80 percent held favorable attitudes toward home buying conditions, with 66 percent referring to low mortgage rates to support their view.

- Favorable attitudes toward vehicle buying conditions have recorded only modest gains. In the March 1988 survey, 62 percent held favorable car buying attitudes, up from 59 percent in February and 57 percent in November. Since the November low, there has been no change in the proportion referring to either the availability of price discounts (32 percent) or reduced interest rates (20 percent). Compared with a year earlier, car buying attitudes are somewhat less favorable, primarily because of fewer references to interest rate discounts (falling from 43 to 21 percent). Despite this sluggish performance, the current level is still more favorable than in any prior expansion.

- Attitudes toward buying conditions for furniture, appliances, and home electronics have remained unchanged at favorable levels. The March surveys in both 1988 and 1987 recorded 71 percent of all families that held favorable buying attitudes for these products. Favorable perceptions of market prices for these household durables continue to underpin these favorable attitudes.

- These results indicate that the post crash rebound in consumer confidence has exceeded the initial declines. The initial reaction of consumers was to adopt a "wait and see" position. Consumers primarily expressed uncertainty and confusion over the meaning and implications of the stock market collapse. This resulted not so much in changed expectations, as in a change in the frame of reference used to evaluate new information, along with a heightened focus on economic news. Ongoing economic developments were scrutinized for information on whether the stock market collapse would engulf the entire economy, not on whether the economy would meet pre-crash expectations for economic growth. Subsequent developments in the economy have not only acted to disconfirm these earlier fears, but the developments have been judged more favorably under the changed perspective. In short, the initial decline in consumer sentiment has been more than offset by the subsequent rebound. Rather than indicating renewed optimism, it has been built on lowered expectations. Just as these data indicate that a consumer led recession in 1988 is not in the making, neither will there be a renewed boom in consumer spending. Sales of homes, vehicles, furniture, appliances, and home electronics will remain favorable, but fail to regain the prior peaks.

● ● ●

The March 1988 survey was conducted between March 1 and March 28, 1988 and included 500 completed interviews.

U 7445 2 A

SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

MARCH 1988

The March 1988 survey was the 236th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

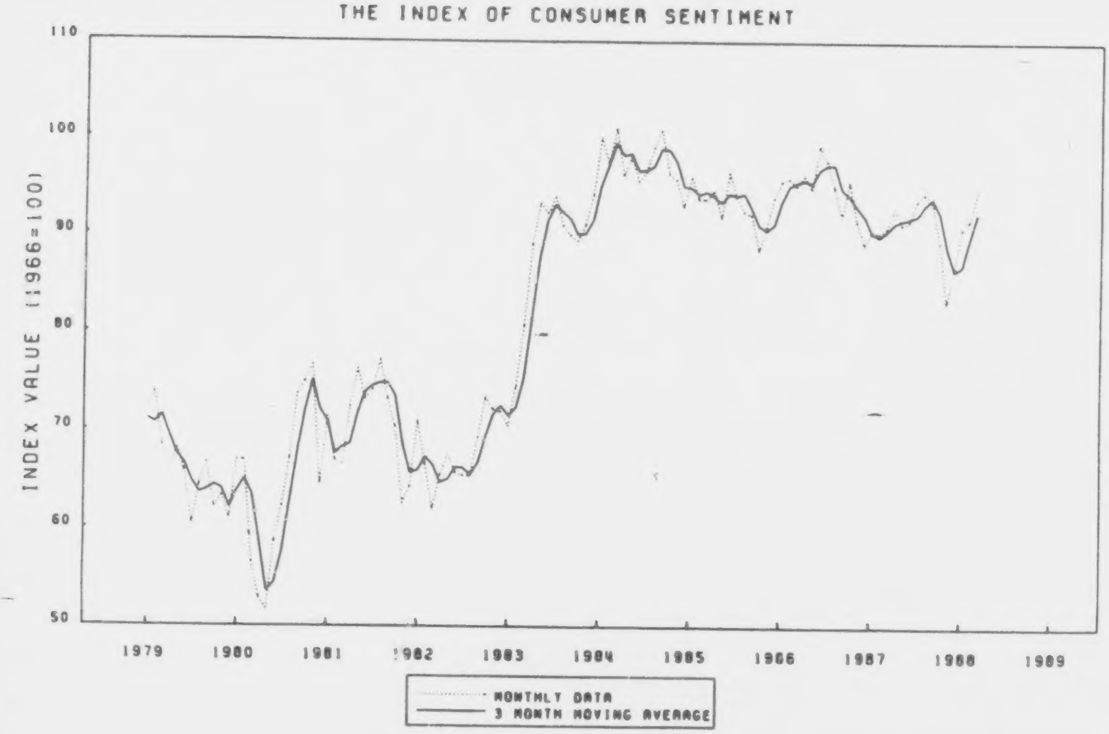


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

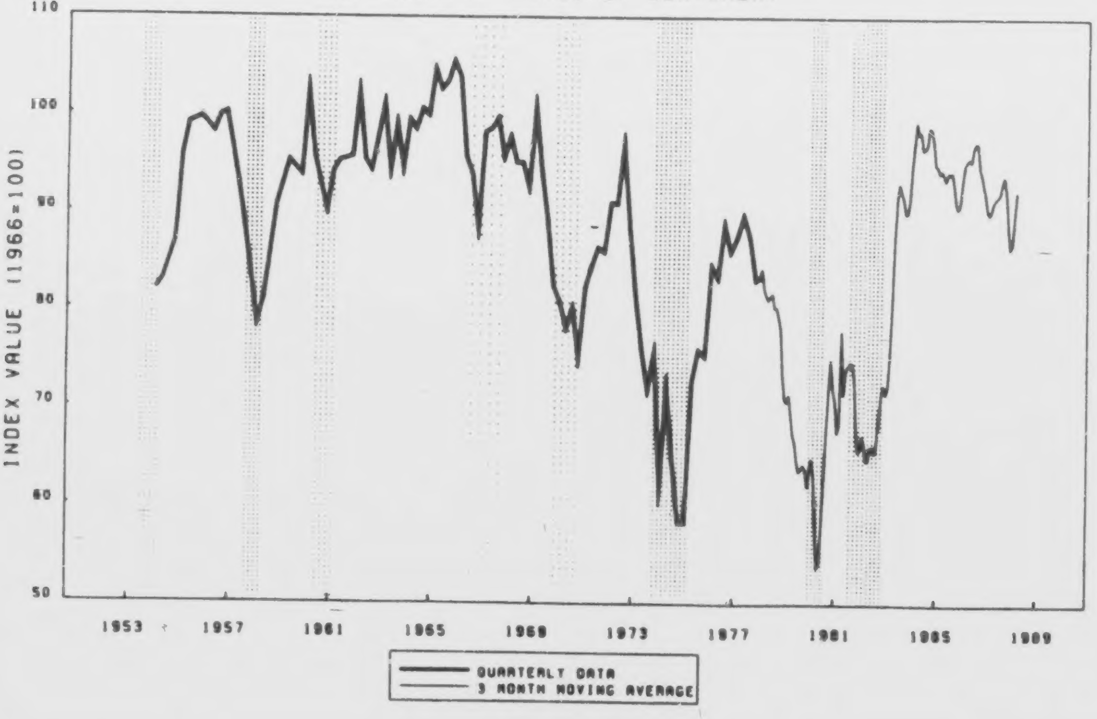


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
March	1985	93.7	110.8	114.4
April	1985	94.6	108.9	114.9
May	1985	91.8	105.3	107.7
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

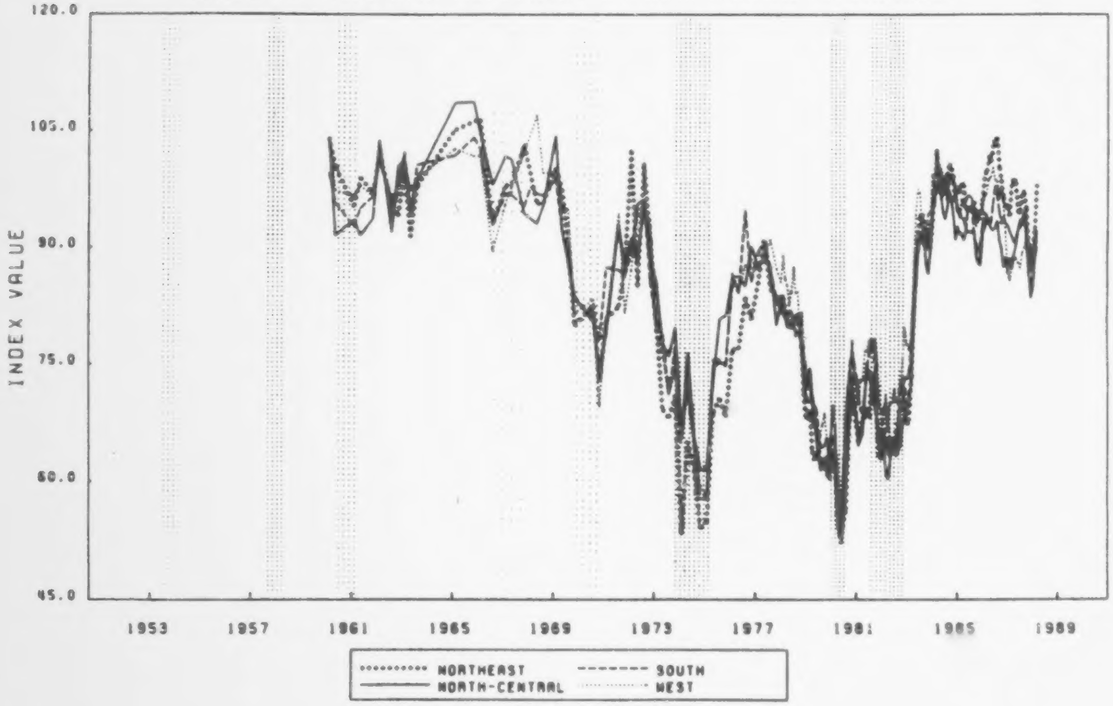


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

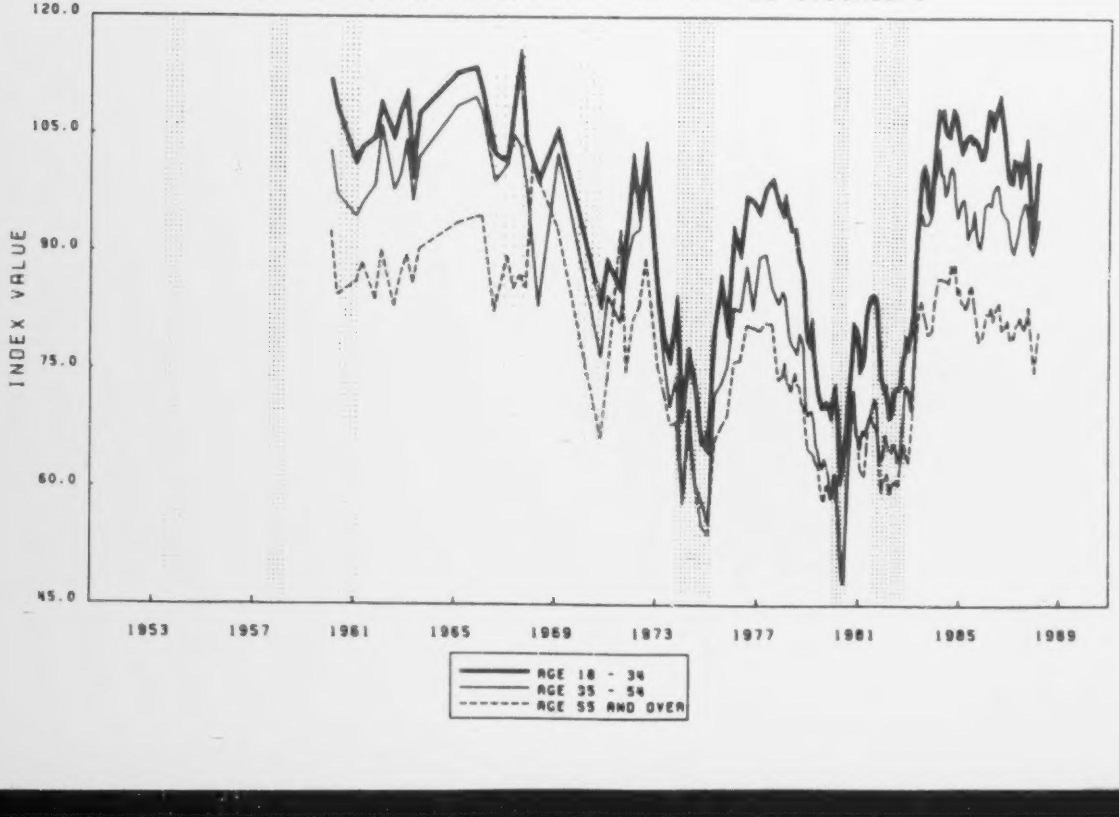


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

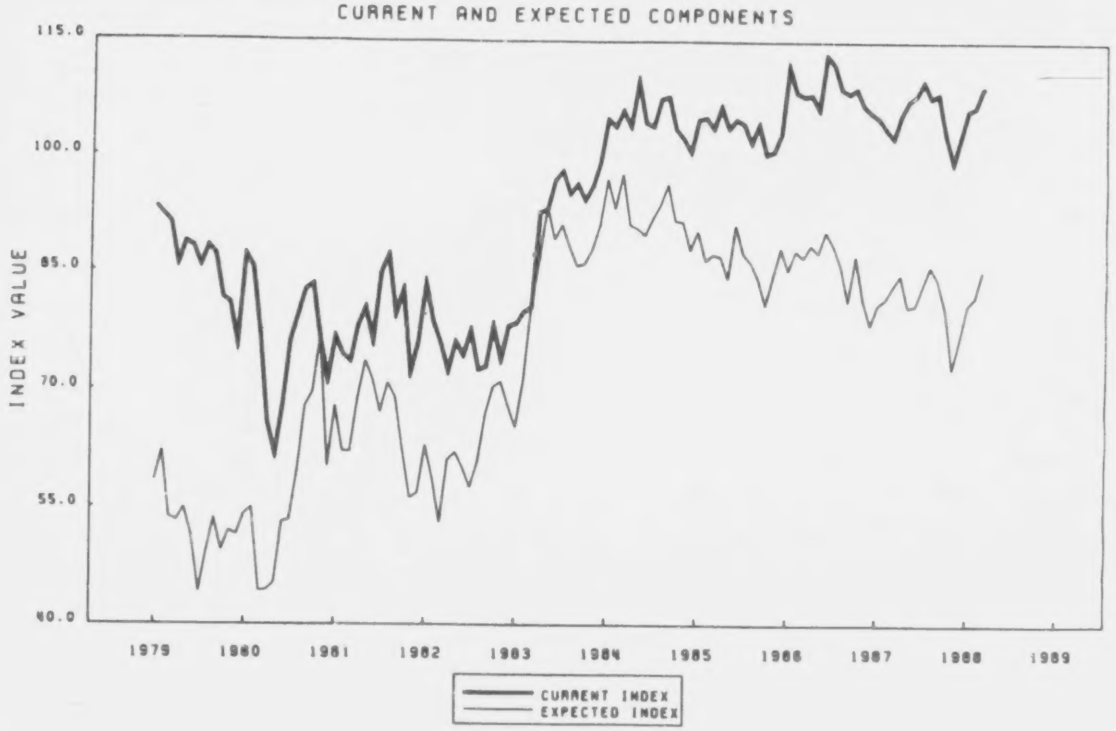
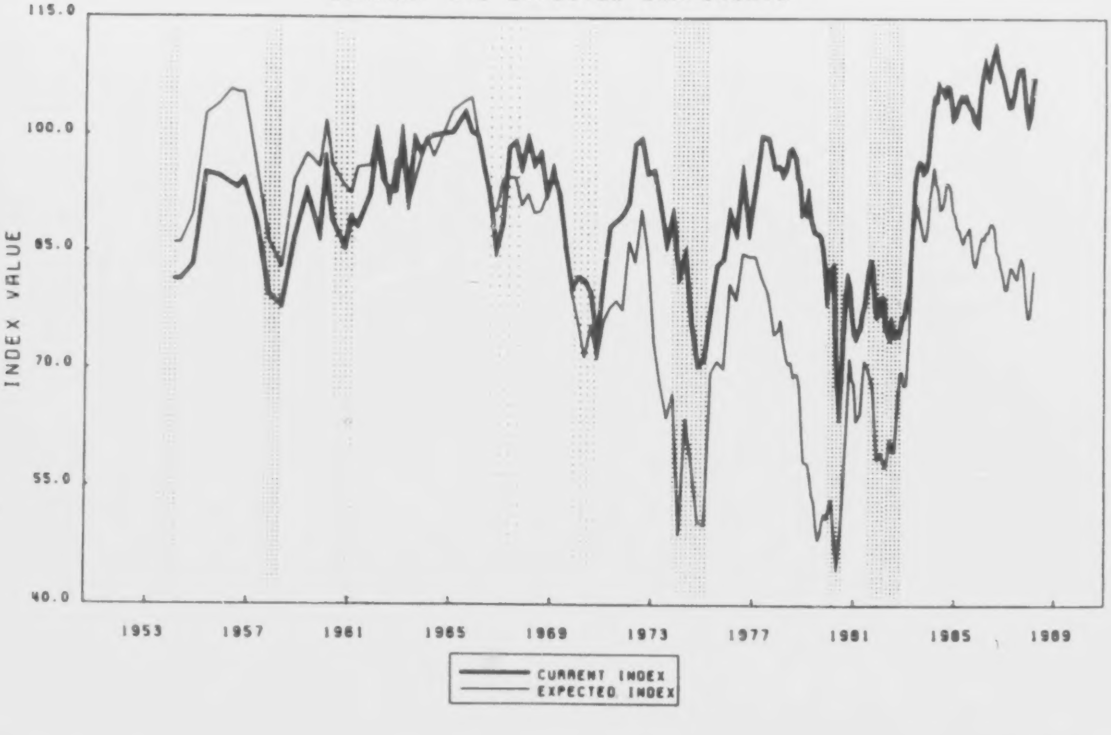


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

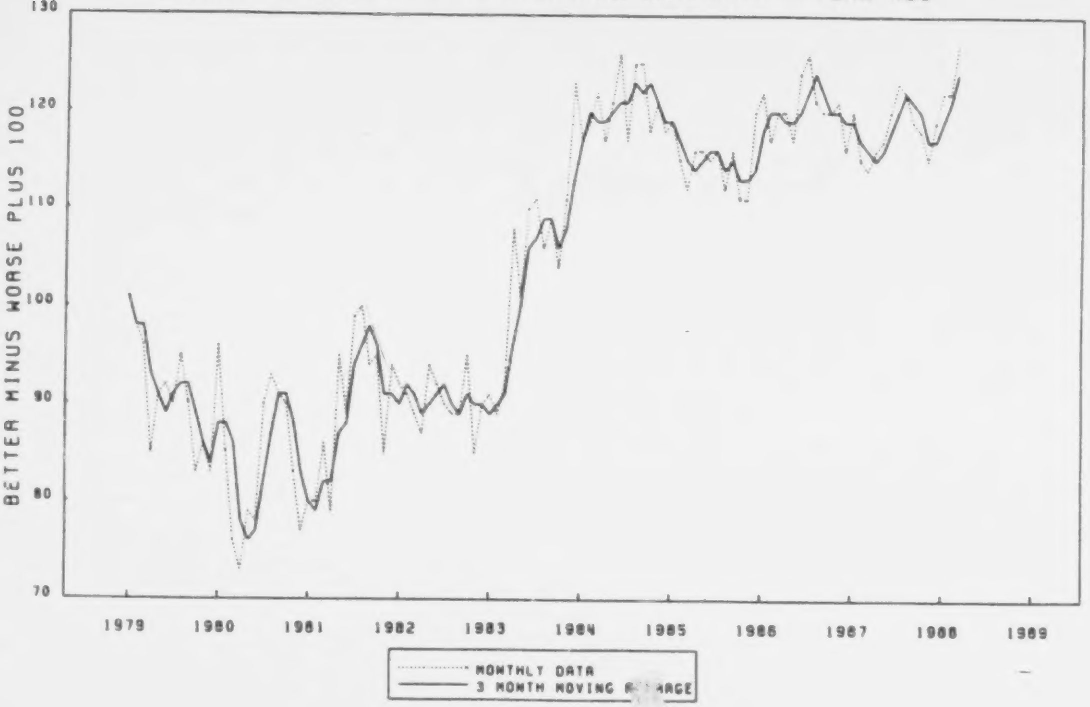


CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

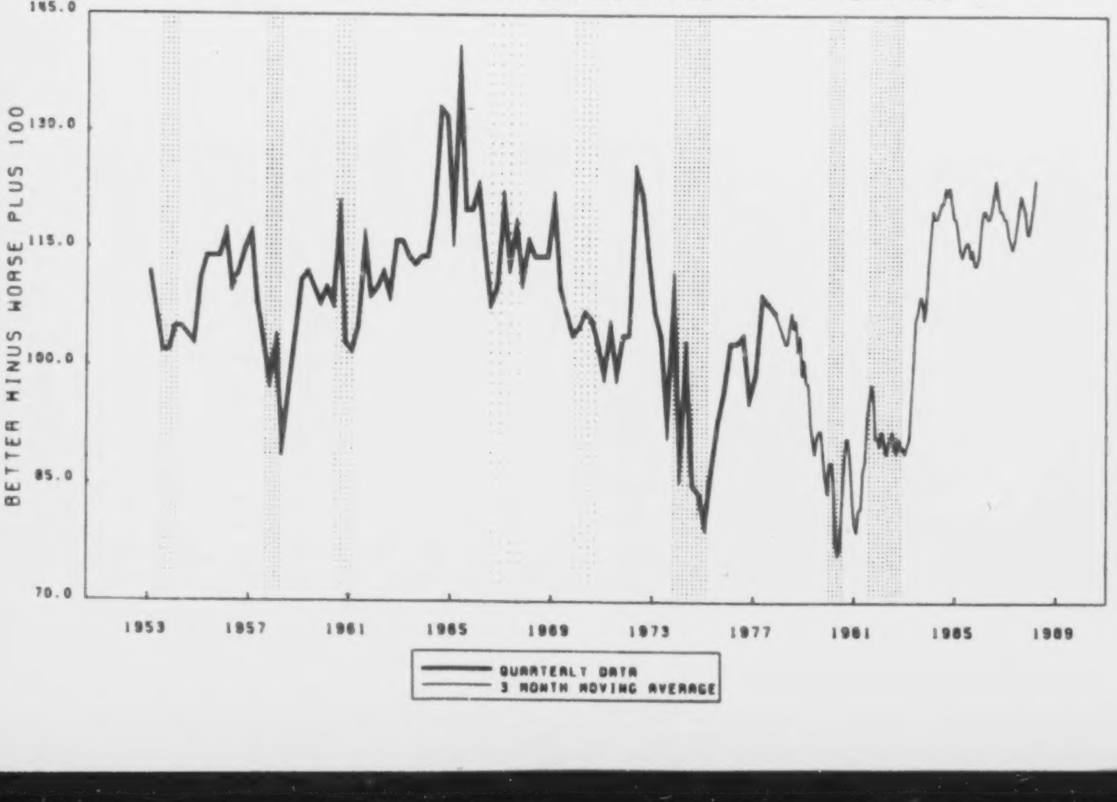


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
BETTER OFF	41%	42%	43%	44%	45%	45%	42%	43%	42%	43%	46%	47%	49%
SAME	32	32	31	32	32	32	34	32	31	33	29	27	29
WORSE OFF	27	26	26	24	22	23	23	25	27	24	24	25	22
DK,NA	*	*	*	*	1	*	1	*	*	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

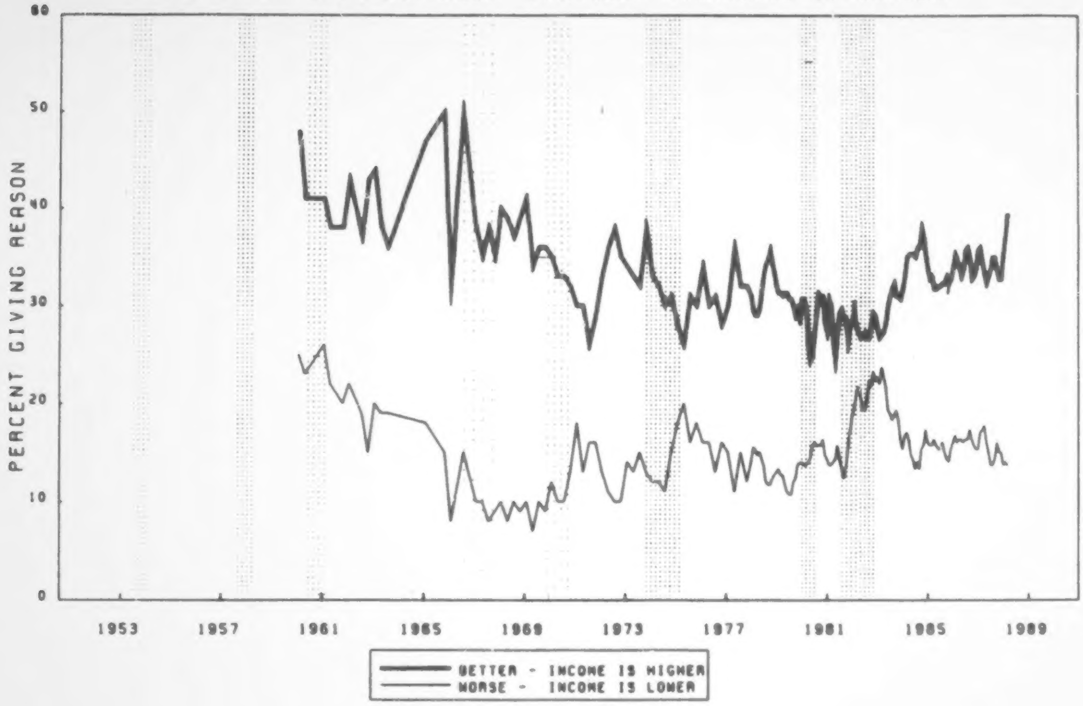


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

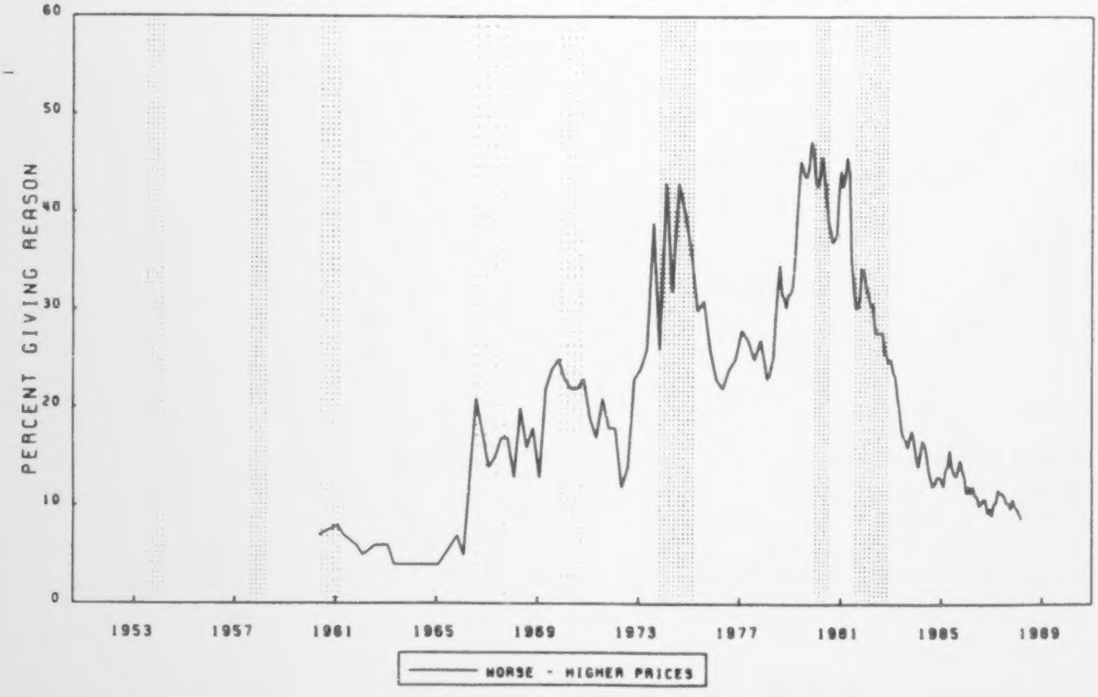


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	34%	32%	33%	36%	36%	33%	32%	33%	33%	39%	39%	40%
WORSE OFF THAN YEAR AGO:													
Income is lower	17	16	15	14	12	15	16	17	12	16	13	13	15
Higher prices	12	11	11	12	10	9	12	8	12	10	7	11	8

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

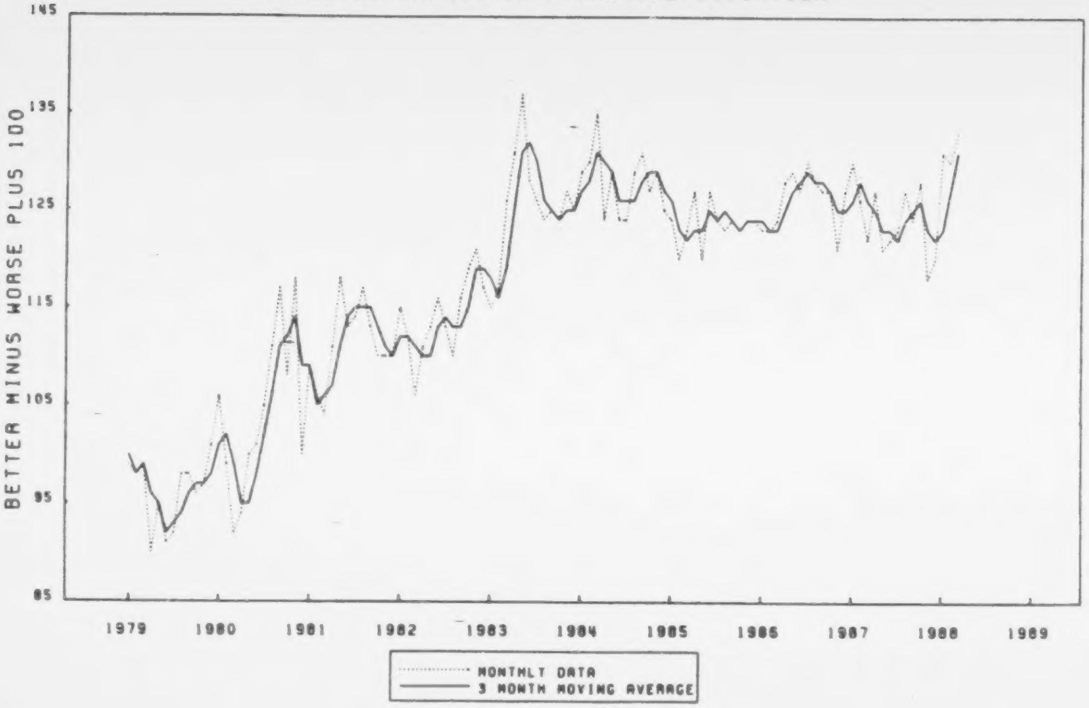


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

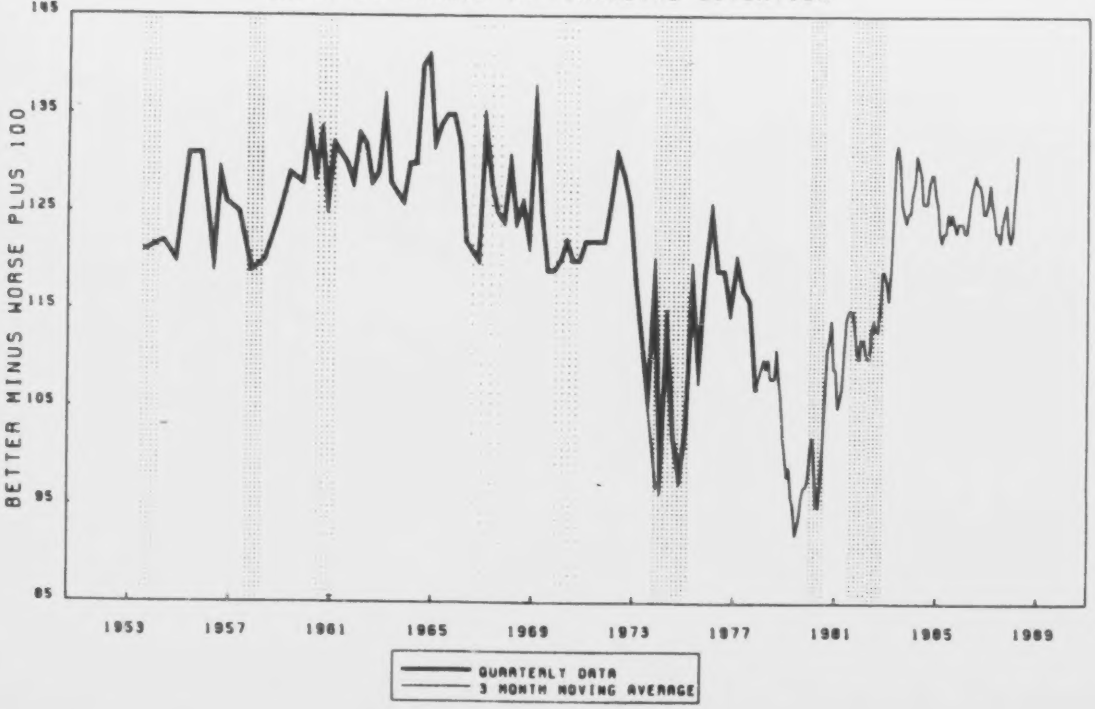


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
BETTER OFF	33%	37%	32%	33%	34%	39%	35%	37%	33%	32%	38%	39%	39%
SAME	53	49	54	53	52	46	49	51	49	51	53	48	52
WORSE OFF	11	10	11	11	11	12	11	9	15	12	7	9	6
DK,NA	3	4	3	3	3	3	5	3	3	5	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

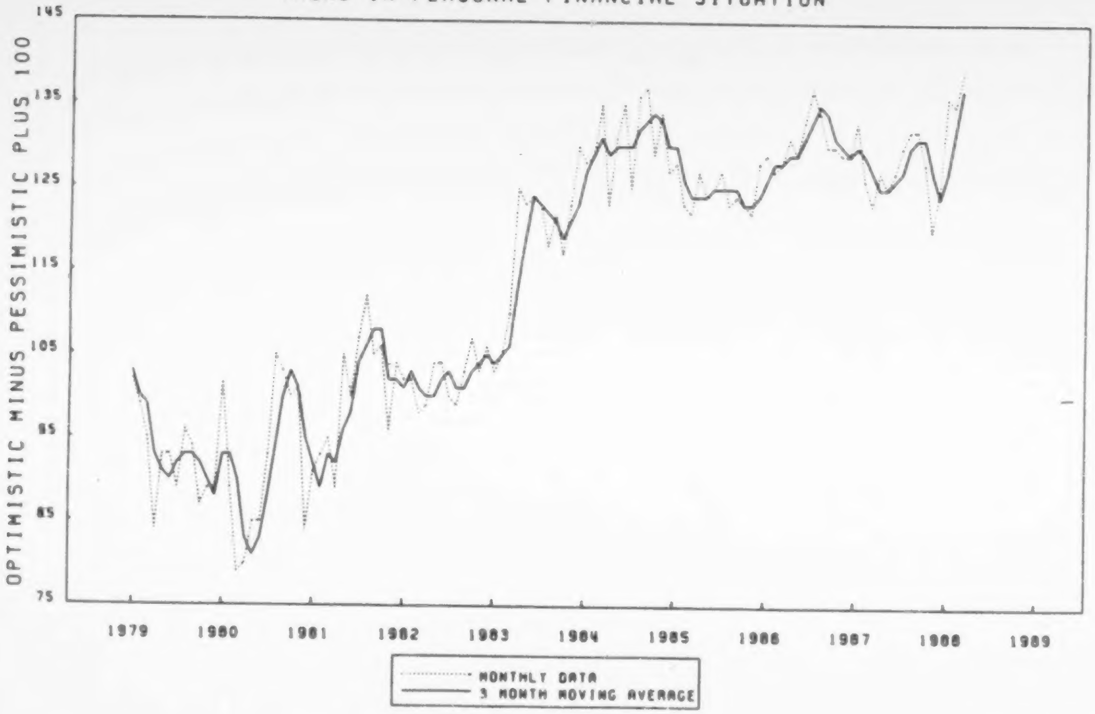


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

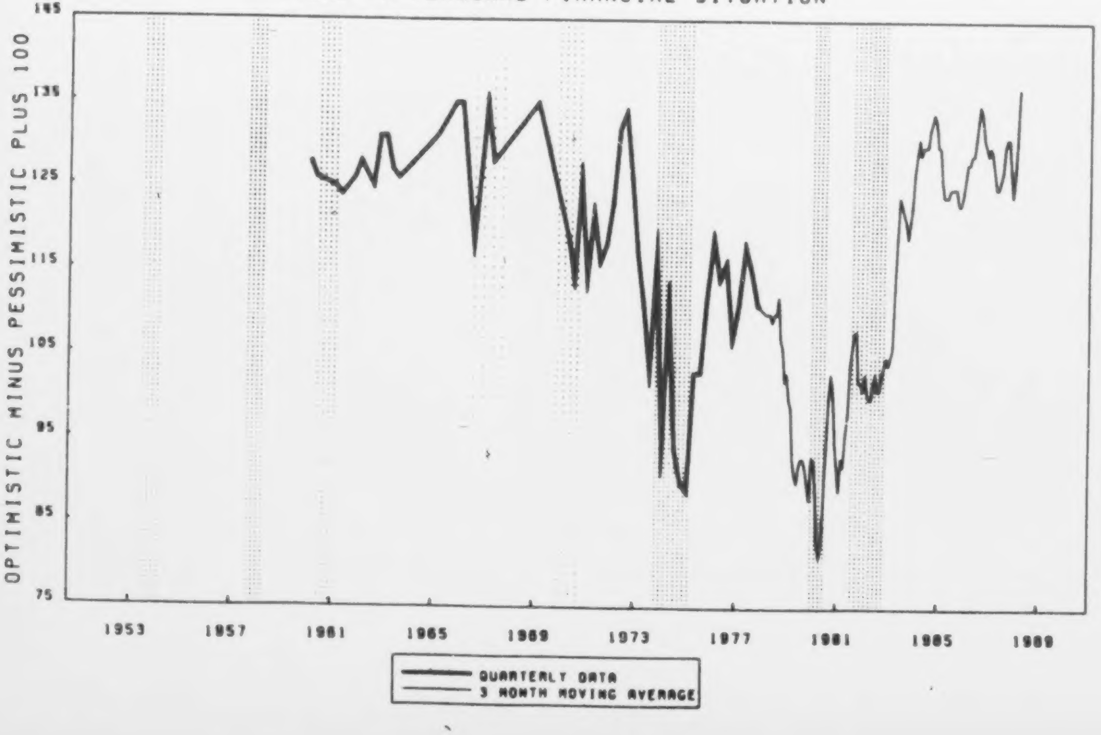


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	19%	19%	17%	18%	19%	23%	18%	23%	19%	17%	21%	20%	25%
Intermittant increase (b)	25	28	28	31	29	29	31	24	25	27	31	31	30
Remain unchanged (c)	22	17	20	17	20	16	19	21	18	19	19	15	17
Intermittant decline (d)	16	17	16	17	14	16	12	15	18	17	13	13	13
Continuous decline (e)	5	3	4	5	4	4	5	4	6	2	3	3	3
Mixed change (f)	10	12	12	8	10	9	10	10	11	13	11	13	9
DK,NA	3	4	3	4	4	3	5	3	3	5	2	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

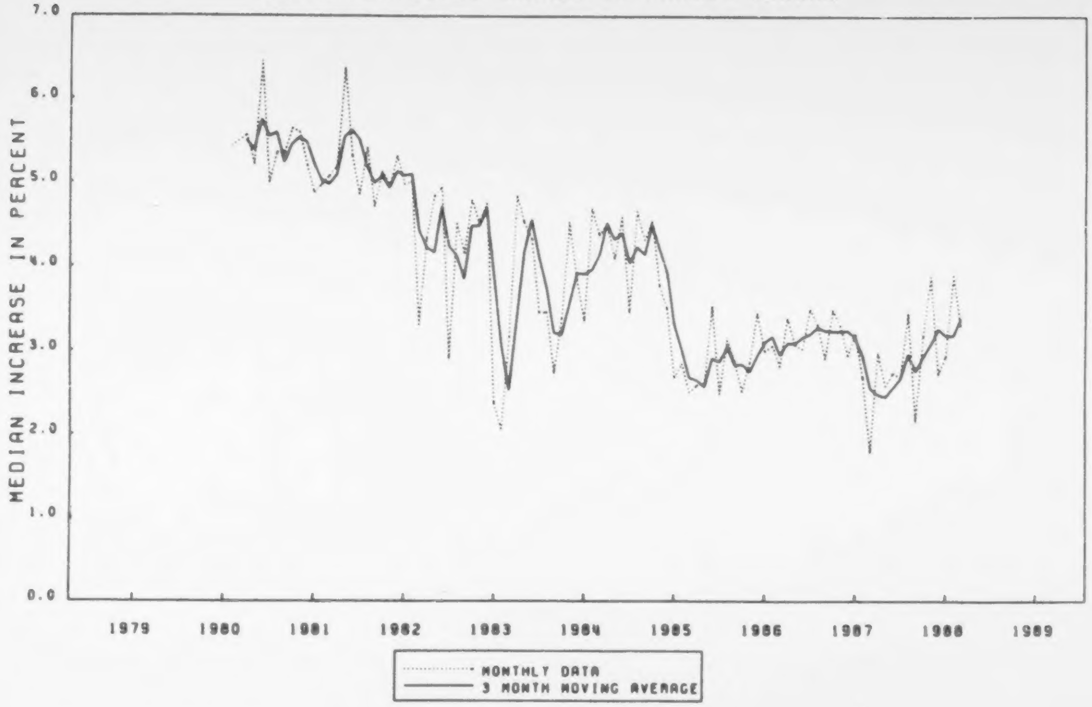


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

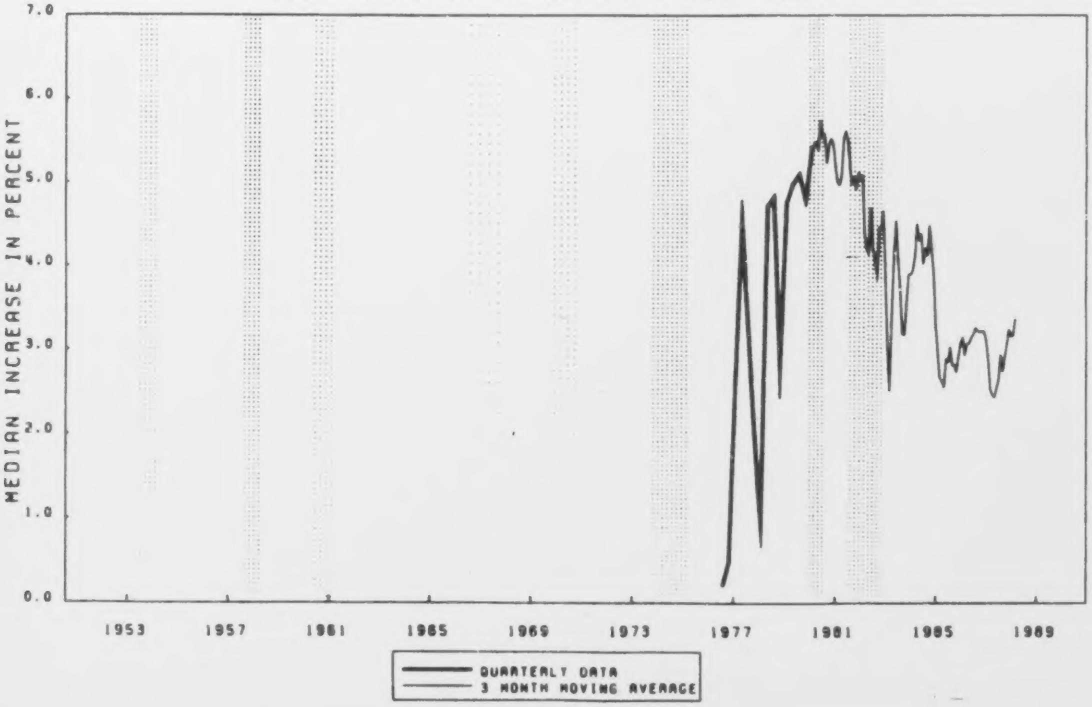


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
EXPECT INCREASE:													
1-4%	17%	15%	18%	21%	18%	17%	17%	15%	18%	19%	18%	16%	16%
5%	11	9	9	9	9	12	13	10	11	10	12	15	11
6-9%	7	8	8	10	7	6	6	9	8	8	7	8	7
10-24%	11	19	14	13	16	17	10	15	18	14	15	17	17
25% or more	5	5	6	5	6	8	6	5	7	4	6	5	7
DK how much up	6	4	3	4	4	4	5	6	2	3	4	2	2
EXPECT SAME	28	27	26	26	27	23	30	25	21	23	27	23	29
EXPECT DOWN	15	13	15	12	13	11	11	13	13	19	10	12	9
DK,NA	*	*	1	*	*	2	2	2	2	*	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

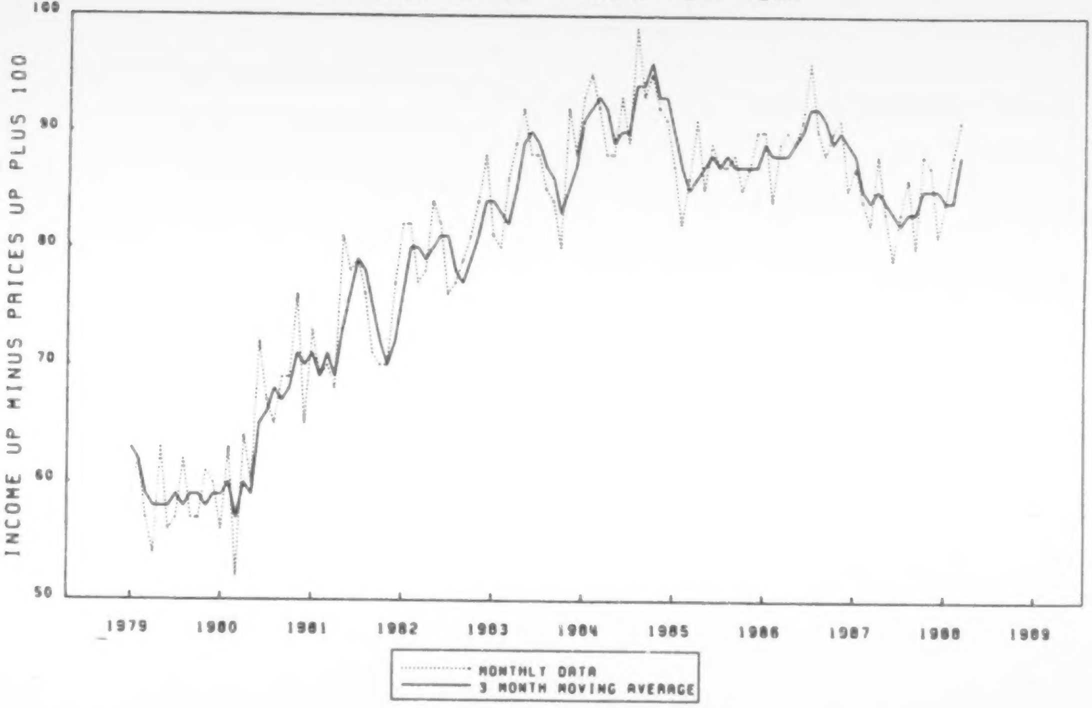


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

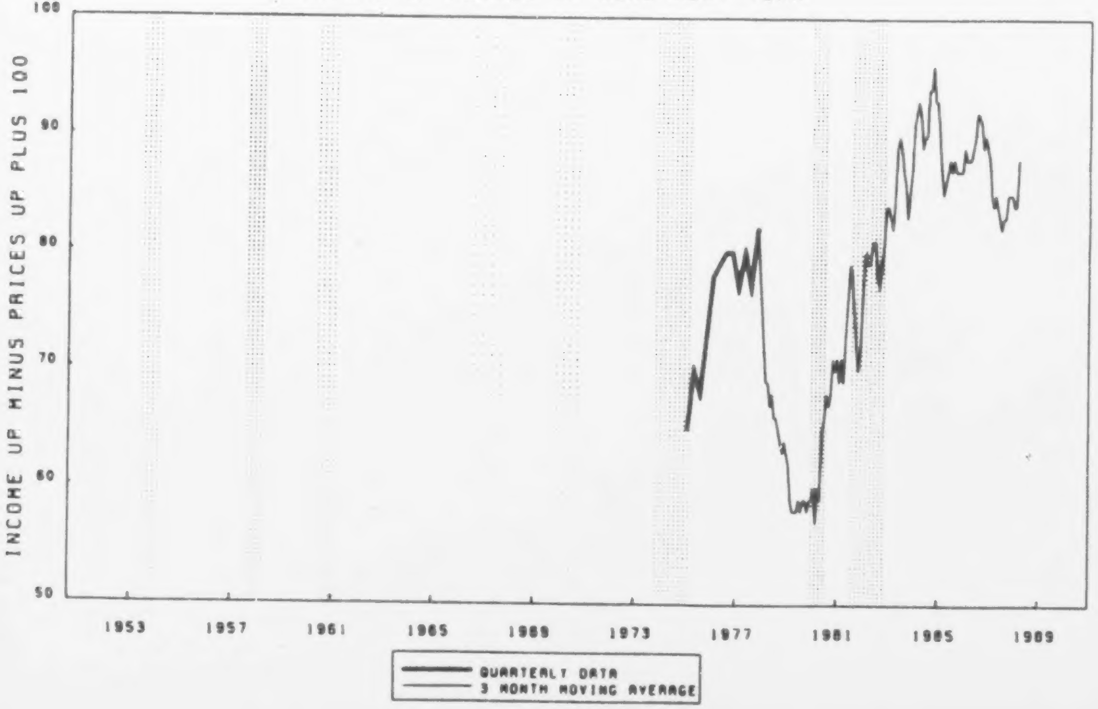


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
INCOME UP MORE	18%	21%	17%	17%	17%	21%	18%	20%	22%	19%	19%	20%	22%
INCOME UP SAME	44	44	48	44	47	42	42	45	43	41	44	45	44
PRICES UP MORE	36	33	34	38	34	35	38	32	35	38	35	32	31
DK,NA	2	2	1	1	2	2	2	3	*	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

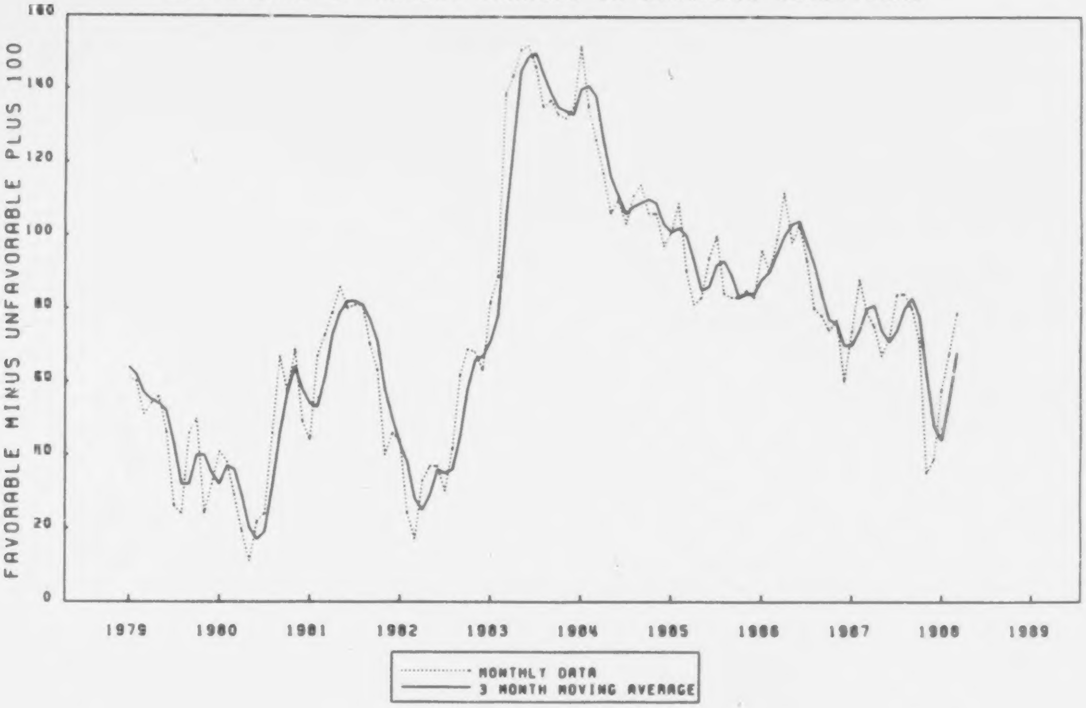


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

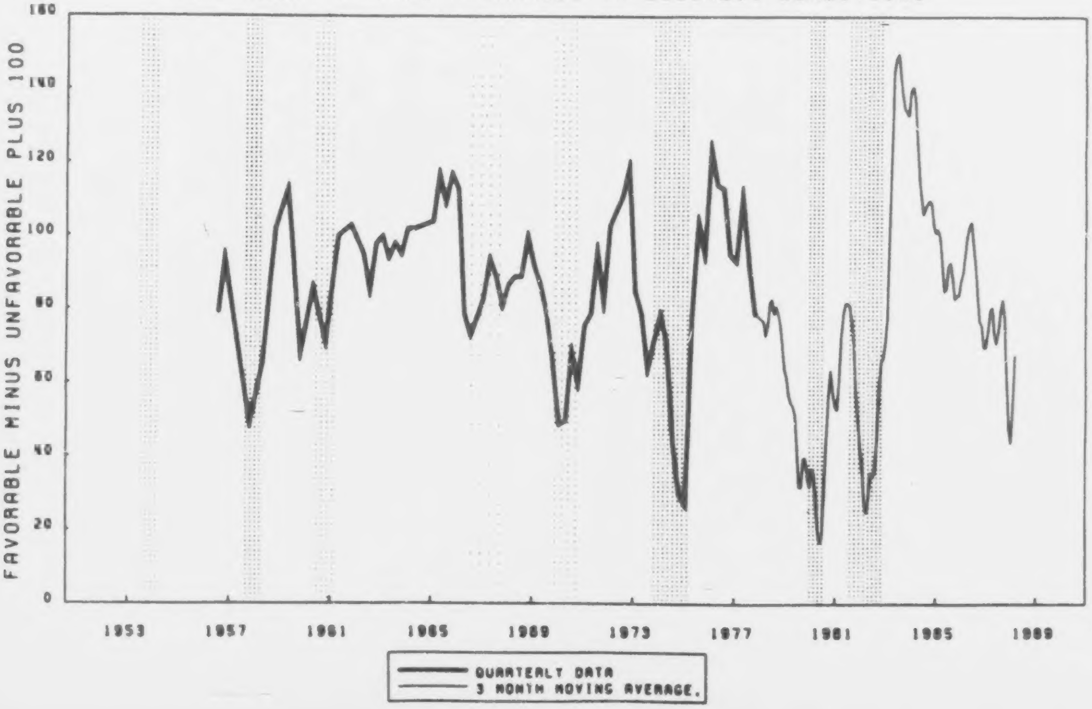


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
FAVORABLE NEWS	27%	27%	26%	29%	29%	32%	24%	25%	18%	18%	23%	26%	29%
UNFAVORABLE NEWS	48	52	59	57	45	48	44	54	83	79	65	58	50
NO MENTIONS	49	46	44	42	50	47	53	47	32	36	41	42	45

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

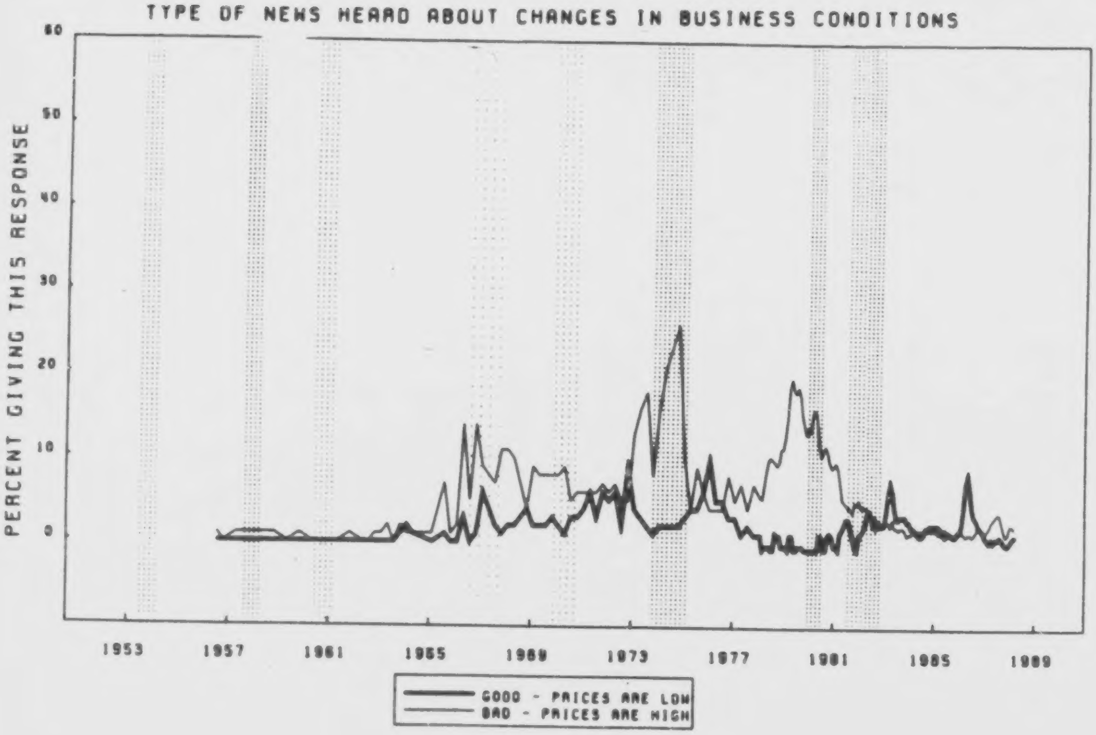


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

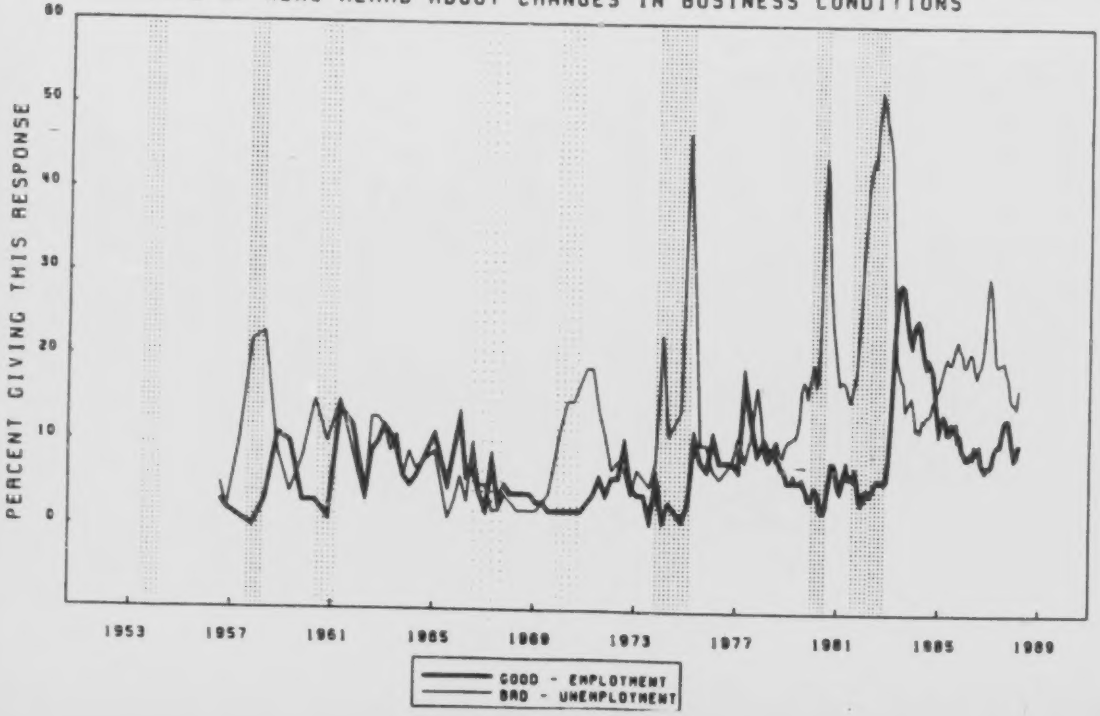


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
FAVORABLE NEWS:													
Government; elections	2%	3%	1%	2%	2%	3%	1%	*	*	1%	1%	1%	1%
Employment	11	9	11	11	13	15	12	13	10	7	9	11	11
Higher consumer demand	1	1	1	2	*	1	*	1	1	1	2	1	2
Lower prices	*	1	*	1	1	1	*	*	*	*	1	1	1
Easier credit	4	2	3	3	2	1	1	1	1	2	1	4	2
Stock market	3	3	1	2	2	3	2	3	2	1	*	1	2
Trade deficit	1	3	2	2	2	1	1	1	1	1	3	2	3
UNFAVORABLE NEWS:													
Government; elections	7	7	7	7	5	5	3	5	6	6	6	6	3
Unemployment	20	18	21	21	18	22	17	16	15	15	16	13	22
Lower consumer demand	2	2	2	3	3	2	1	3	5	4	4	3	1
Higher prices	3	3	3	4	4	3	1	1	1	2	4	1	1
Tighter credit	1	4	6	7	4	2	5	6	5	3	1	2	1
Stock market	2	3	1	3	2	2	2	11	38	32	21	18	10
Trade deficit	4	3	7	7	4	6	3	4	4	7	6	4	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

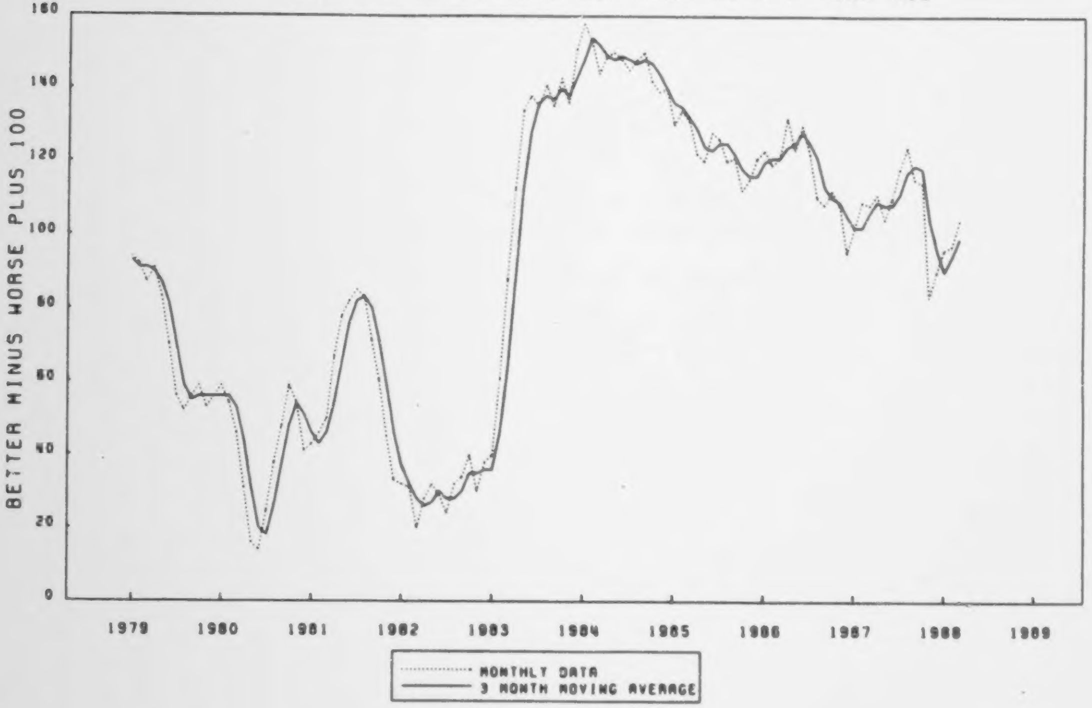


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

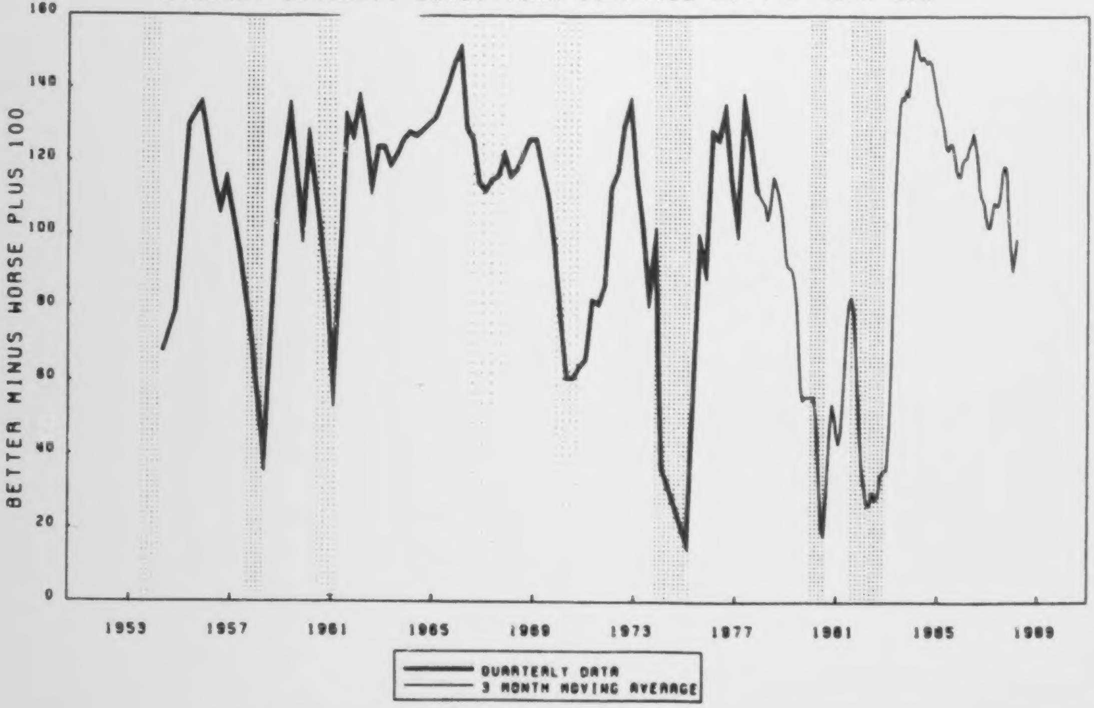


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
BETTER NOW	45%	46%	43%	46%	50%	54%	49%	49%	33%	36%	40%	41%	40%
SAME	17	17	16	16	16	14	14	14	16	15	14	13	21
WORSE NOW	37	35	39	36	32	30	34	35	50	46	44	44	36
DK,NA	1	2	2	2	2	2	3	2	1	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

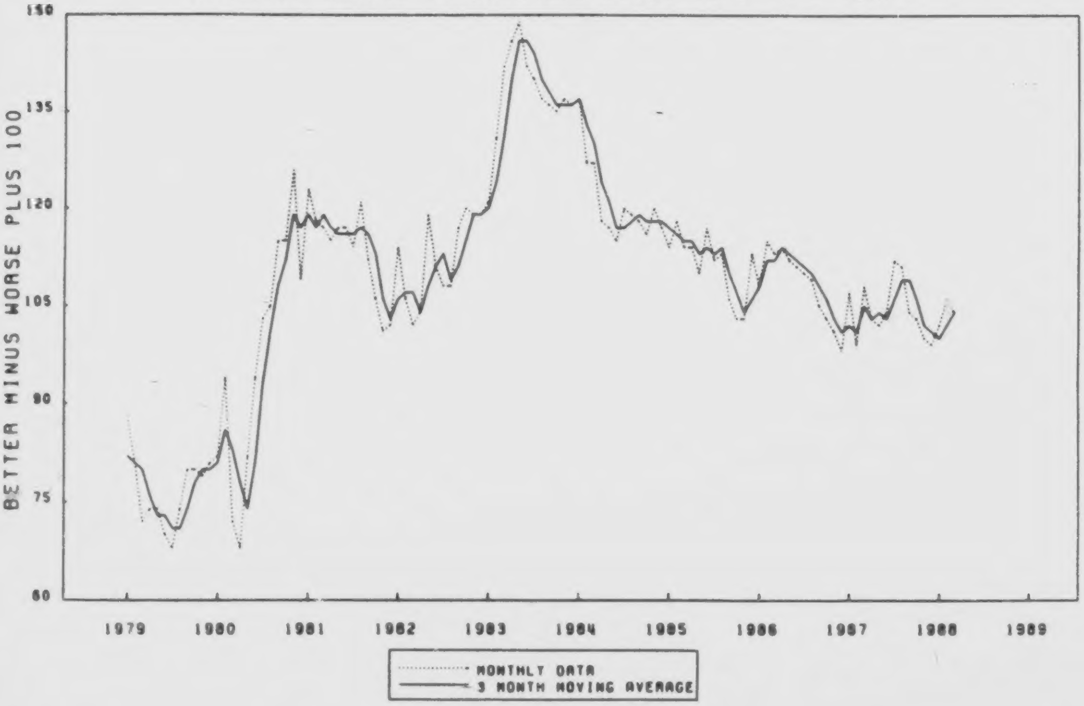


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

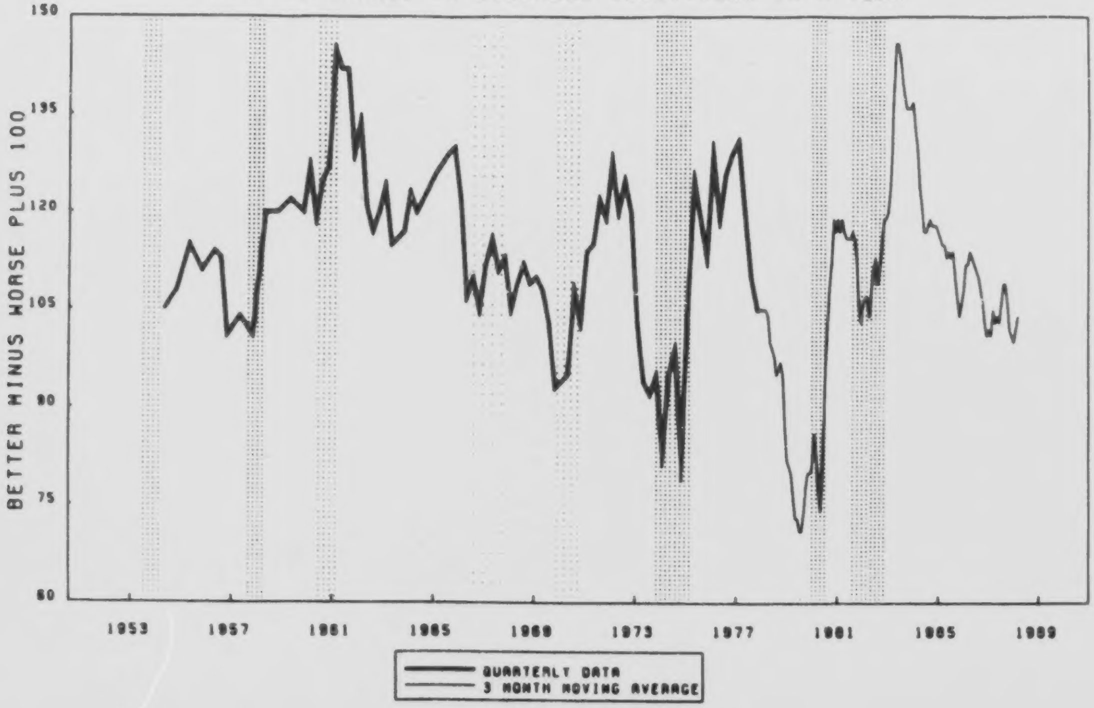


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
BETTER	22%	21%	22%	23%	26%	25%	21%	22%	23%	22%	21%	23%	21%
SAME	61	60	57	57	56	57	58	57	52	53	58	58	58
WORSE	14	18	20	19	14	14	17	19	23	23	19	17	17
DK,NA	3	1	1	1	4	4	4	2	2	2	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

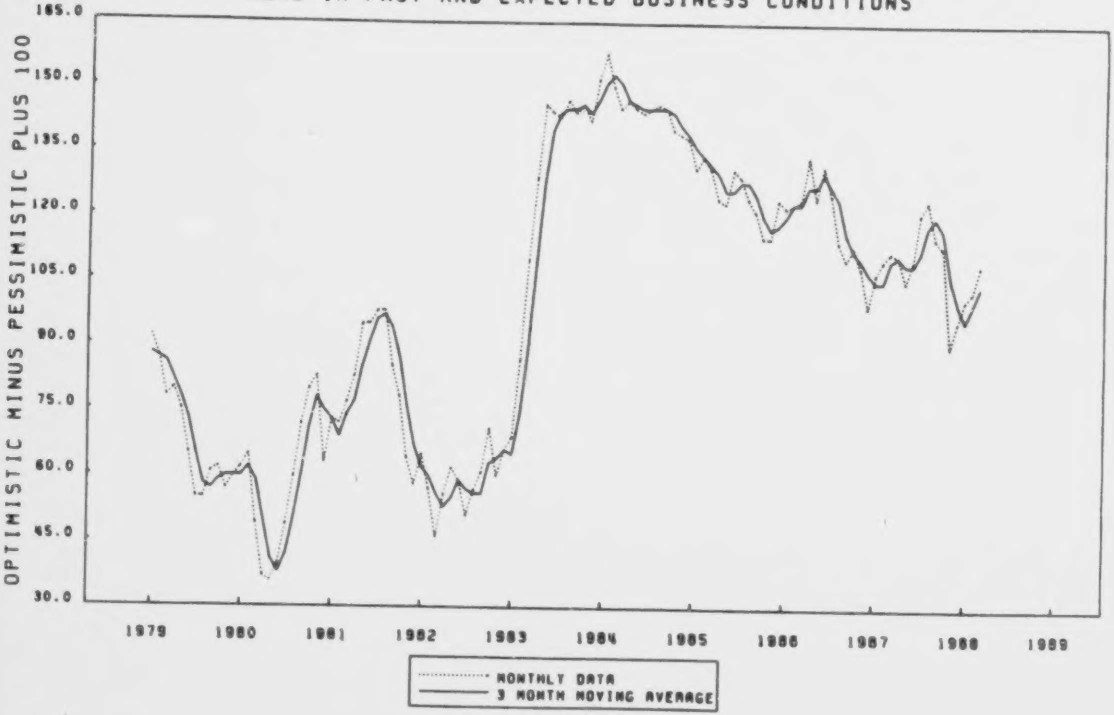


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

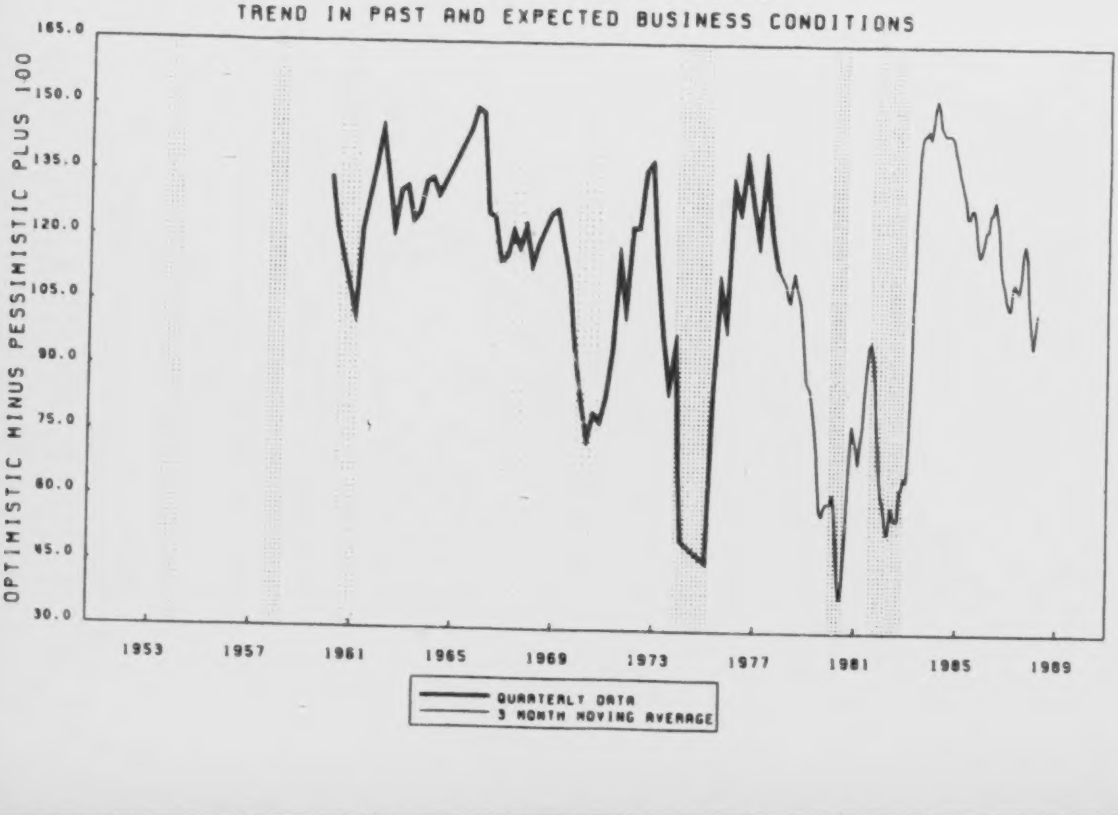


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
TREND:													
Continuous increase (a)	13%	13%	12%	14%	17%	19%	14%	16%	10%	10%	11%	12%	10%
Intermittant increase (b)	32	30	28	28	33	33	32	29	22	24	29	27	30
Remain unchanged (c)	11	11	10	11	9	9	9	10	10	10	8	10	12
Intermittant decline (d)	23	22	24	21	19	20	21	21	26	22	25	24	21
Continuous decline (e)	10	10	11	11	10	8	10	11	16	16	14	12	10
Mixed change (f)	7	10	12	12	7	6	9	10	14	13	10	11	11
DK,NA	4	4	3	3	5	5	5	3	2	5	3	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

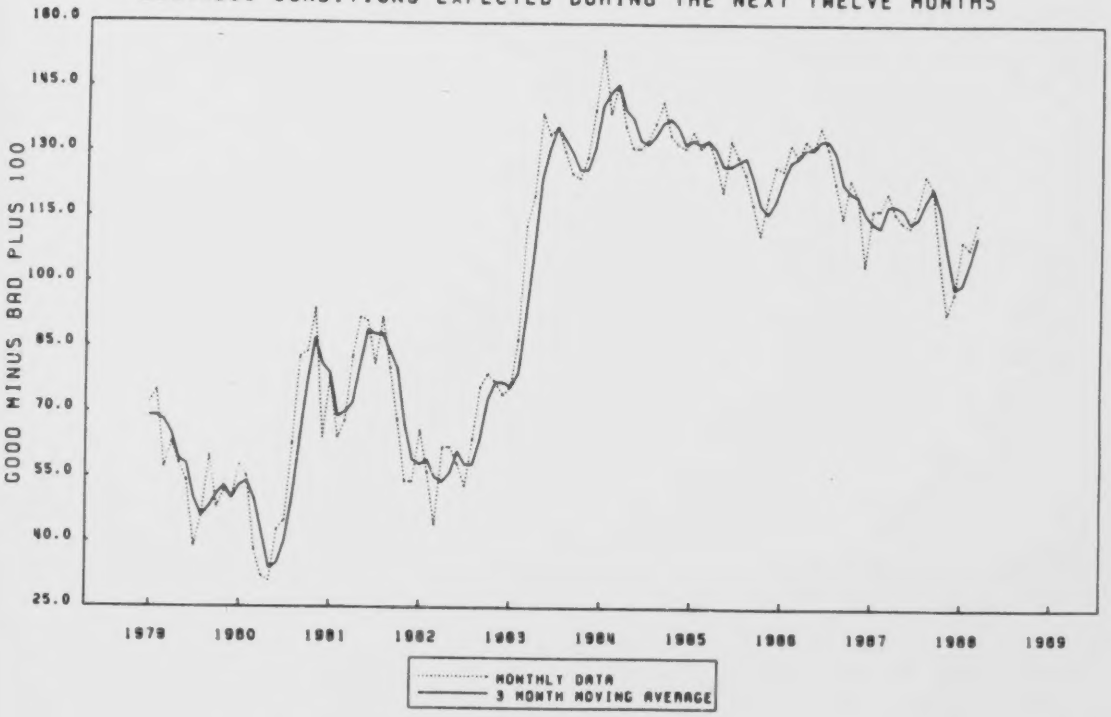


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

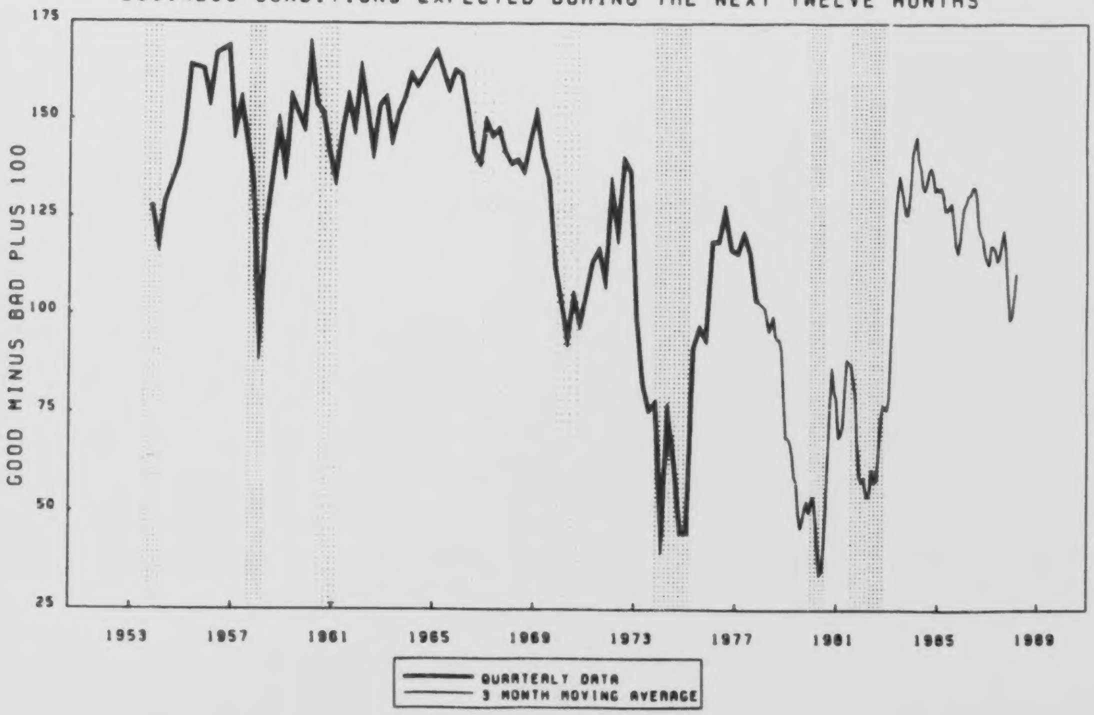


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIMES	55%	51%	51%	50%	51%	55%	51%	43%	38%	41%	47%	45%	47%
UNCERTAIN; GOOD & BAD	2	2	1	2	2	3	5	3	2	4	4	4	4
BAD TIMES	34	35	37	37	33	30	29	38	45	43	37	37	33
DON'T KNOW	5	8	5	5	7	7	7	7	8	6	7	7	7
NOT ASCERTAINED	4	4	6	6	7	5	8	9	7	6	5	7	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

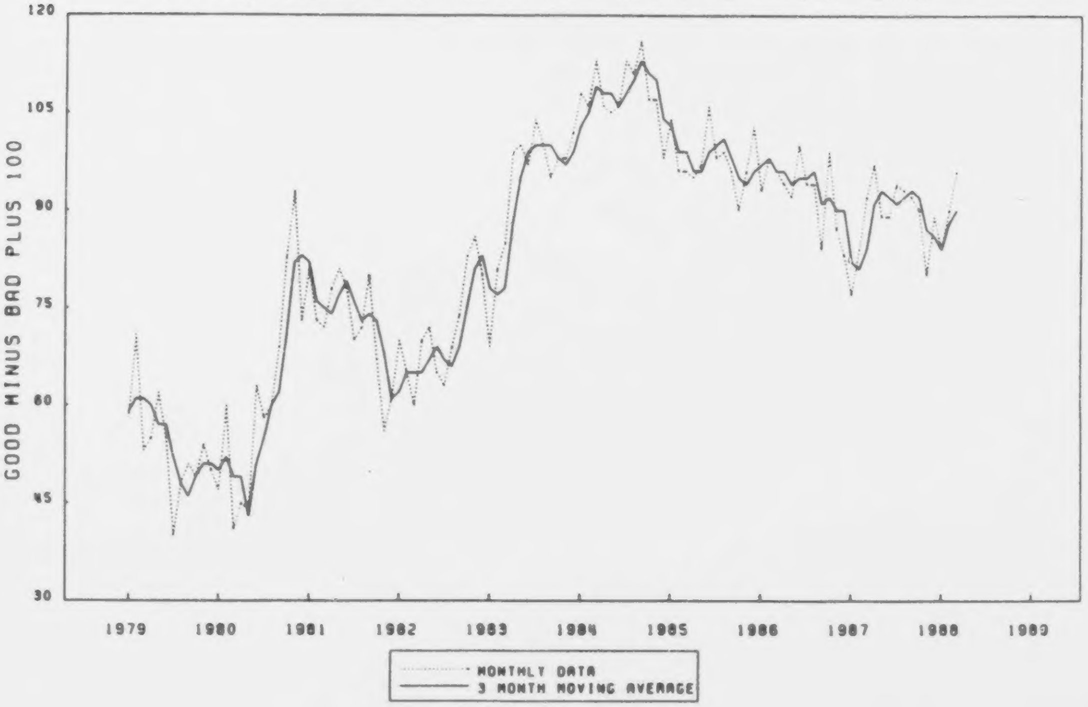


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

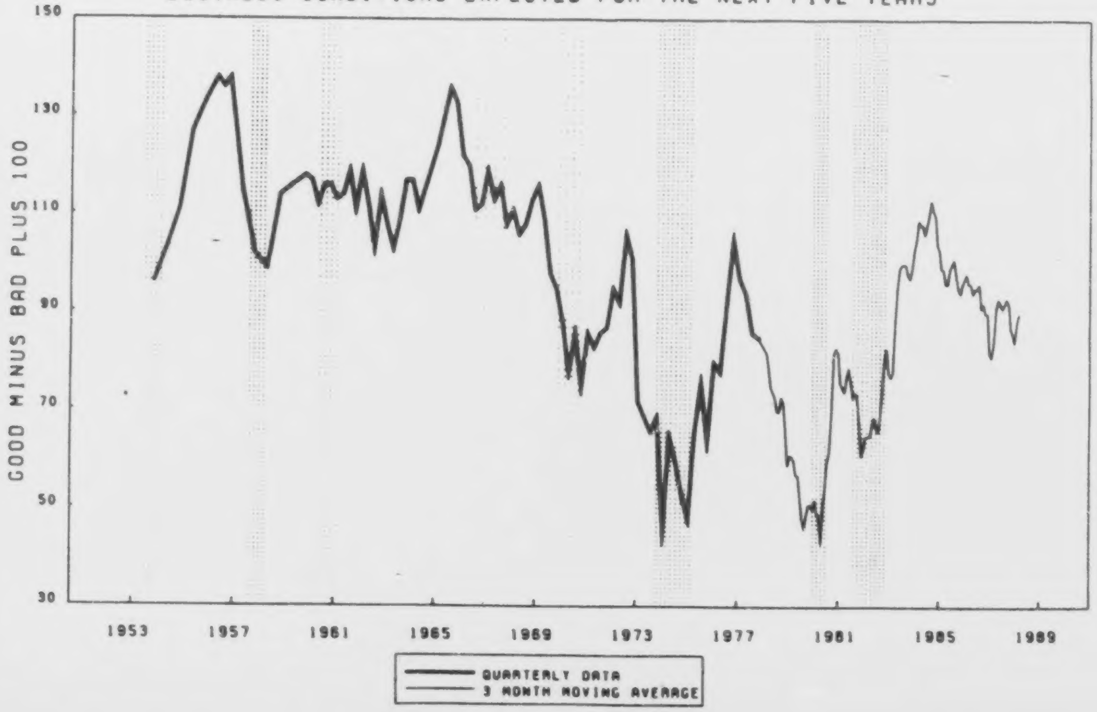


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIMES	39%	41%	36%	37%	36%	36%	37%	36%	31%	33%	34%	35%	39%
UNCERTAIN; GOOD & BAD	10	9	13	9	15	16	13	12	13	16	12	15	14
BAD TIMES	47	44	47	48	42	43	45	46	51	44	50	45	43
NOT ASCERTAINED	4	6	4	6	7	5	5	6	5	7	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

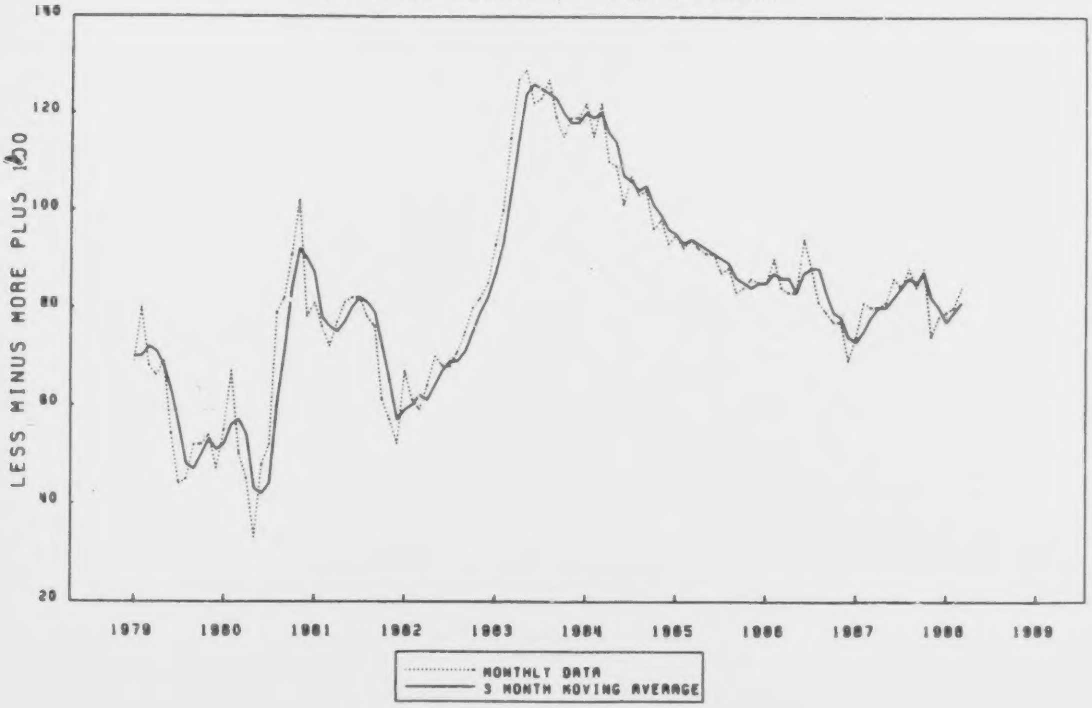


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

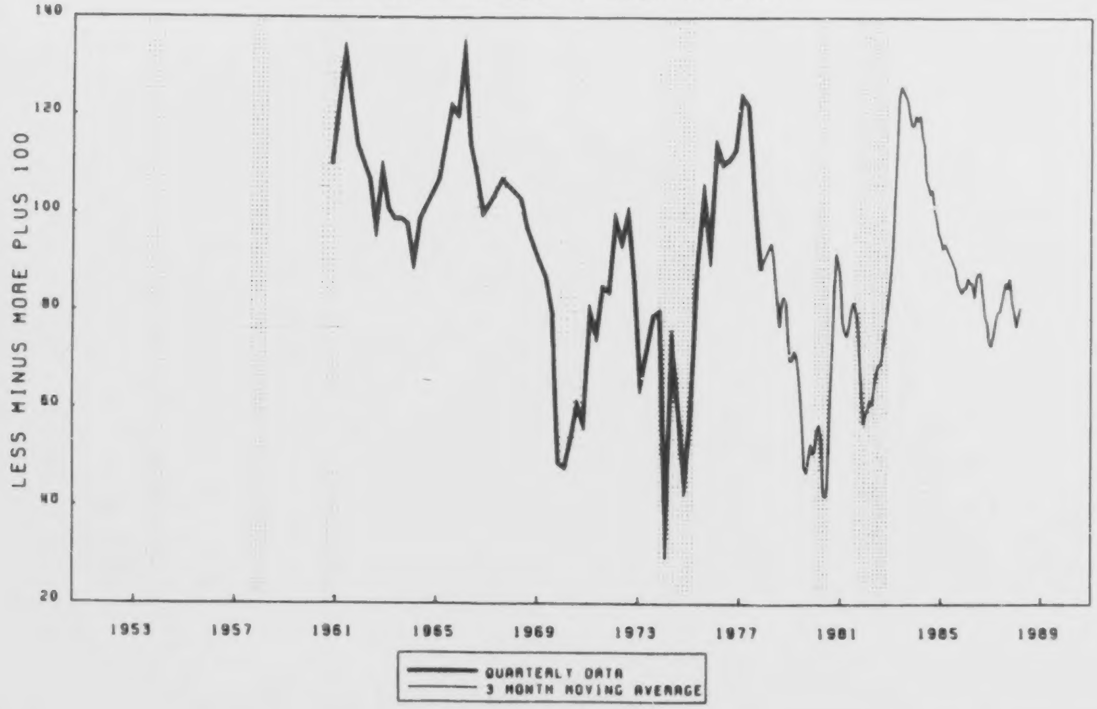


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
LESS	15%	13%	13%	16%	14%	15%	13%	17%	10%	12%	12%	12%	12%
SAME	48	52	53	52	55	56	57	52	53	51	54	53	58
MORE	35	33	32	30	30	27	29	29	36	34	33	33	28
DK,NA	2	2	2	2	1	2	1	2	1	3	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

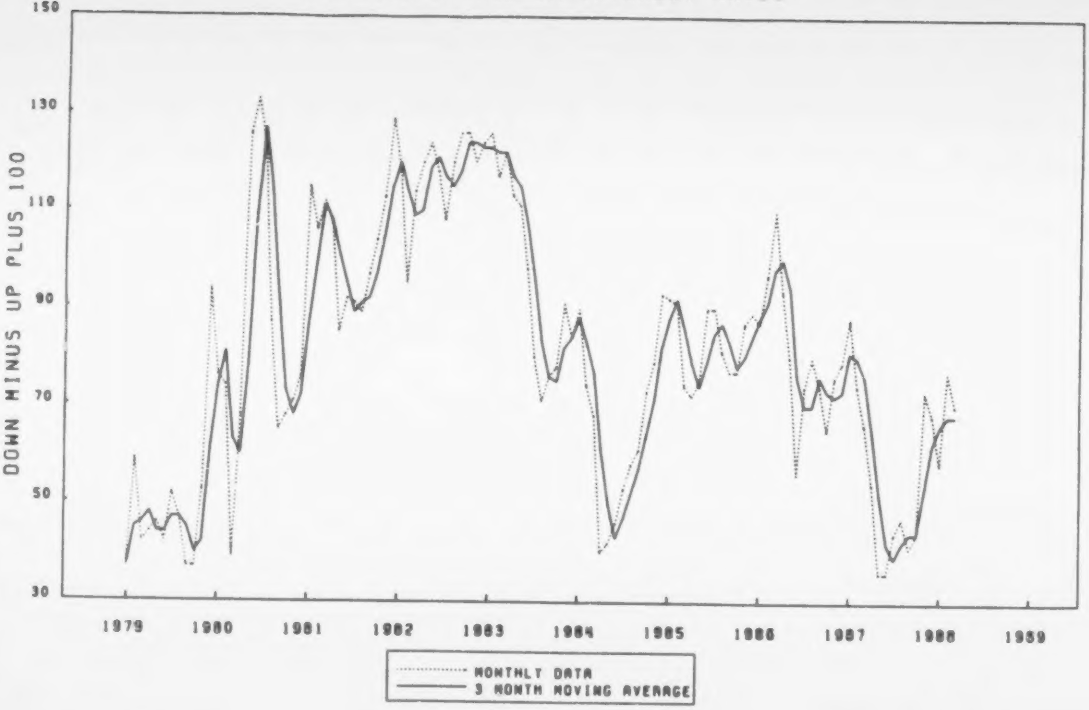


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

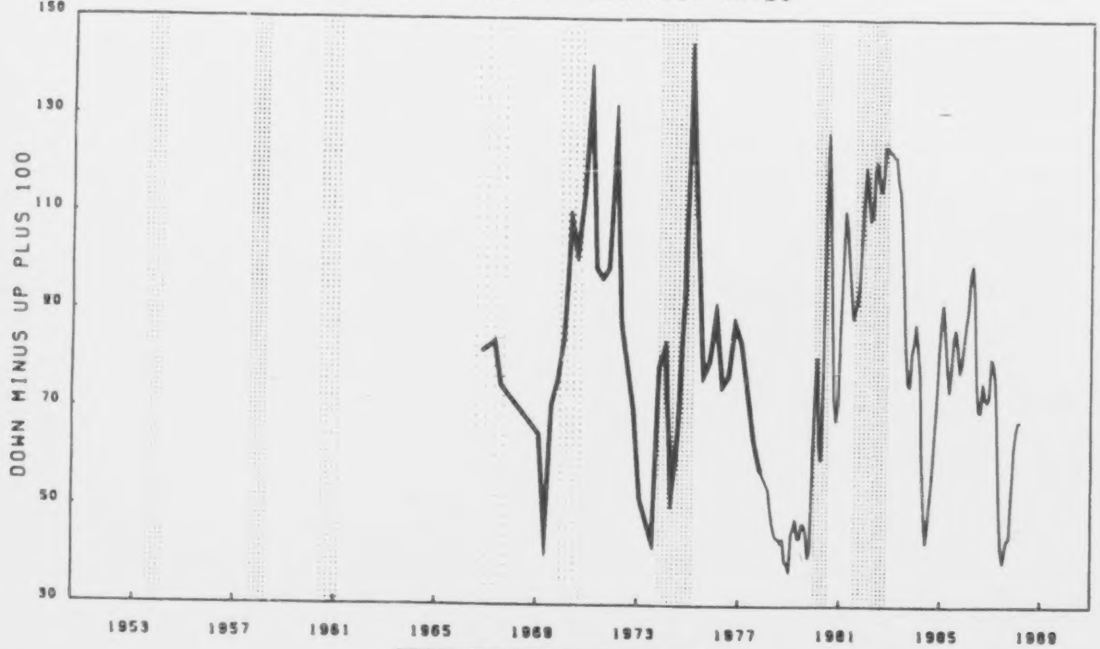


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GO UP	49%	57%	71%	69%	64%	62%	66%	67%	49%	52%	54%	44%	49%
STAY THE SAME	33	29	21	24	26	27	24	20	26	26	32	32	29
GO DOWN	15	11	7	5	8	9	7	11	22	20	12	21	19
DK,NA	3	3	1	2	2	2	3	2	3	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

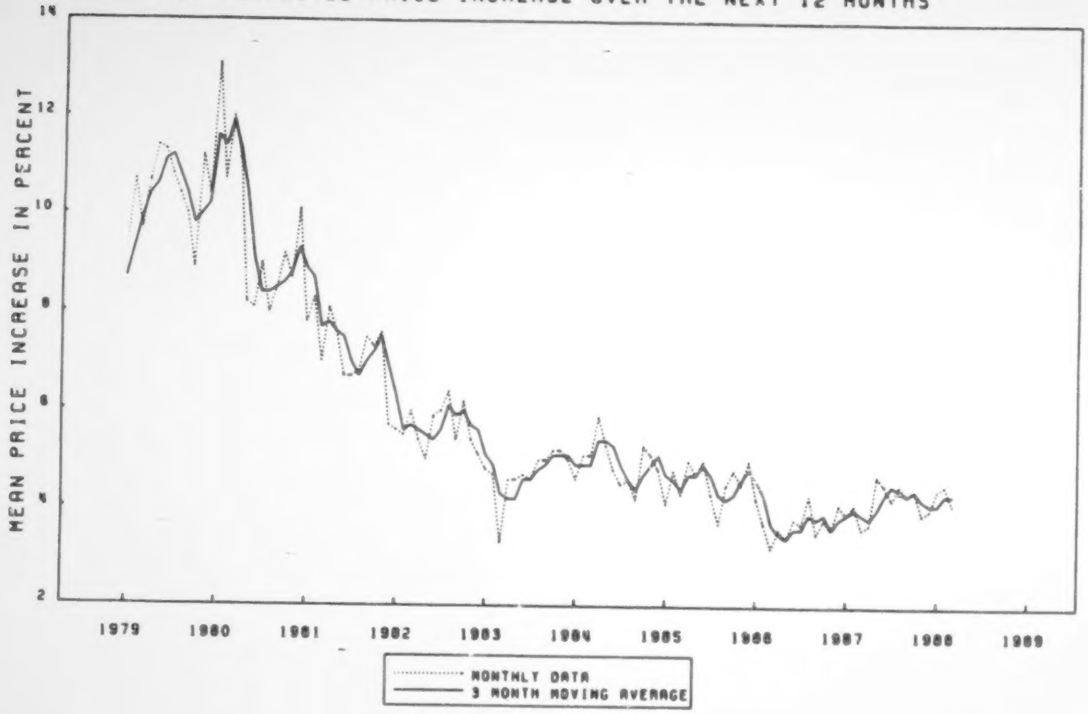


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

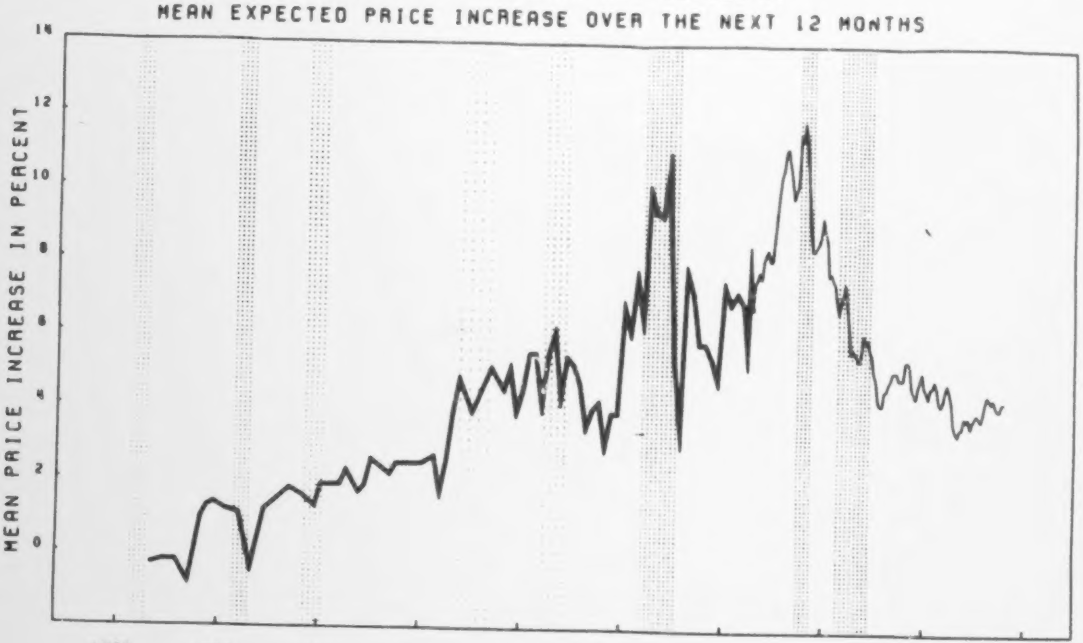


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
SAME OR DOWN	21%	19%	15%	14%	17%	13%	17%	15%	20%	21%	23%	17%	18%
WILL GO UP BY:													
1-2%	19	19	18	18	20	20	20	18	16	19	16	21	19
3-4%	21	23	23	25	23	25	24	23	22	21	21	23	24
5%	18	16	18	17	16	17	16	20	20	15	17	16	19
6-9%	6	8	10	7	7	8	6	7	8	8	6	6	6
10-14%	5	7	7	8	9	6	7	8	5	8	7	7	6
15% or more	3	2	4	4	3	4	3	3	4	3	6	5	3
DK how much up	6	6	4	6	4	6	5	5	4	4	3	4	5
DK,NA	1	*	1	1	1	1	2	1	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.6	3.7	4.7	4.5	4.2	4.5	4.3	4.4	3.9	4.0	4.4	4.5	4.1
VARIANCE	18	21	36	27	28	32	41	28	25	26	35	40	26
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

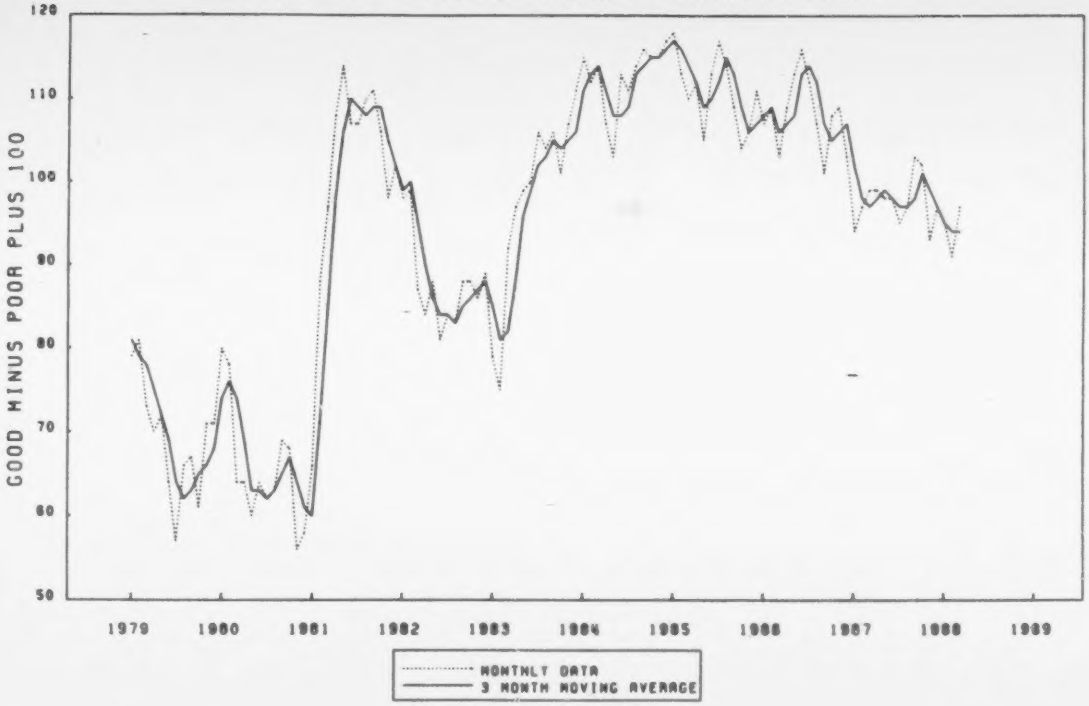


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

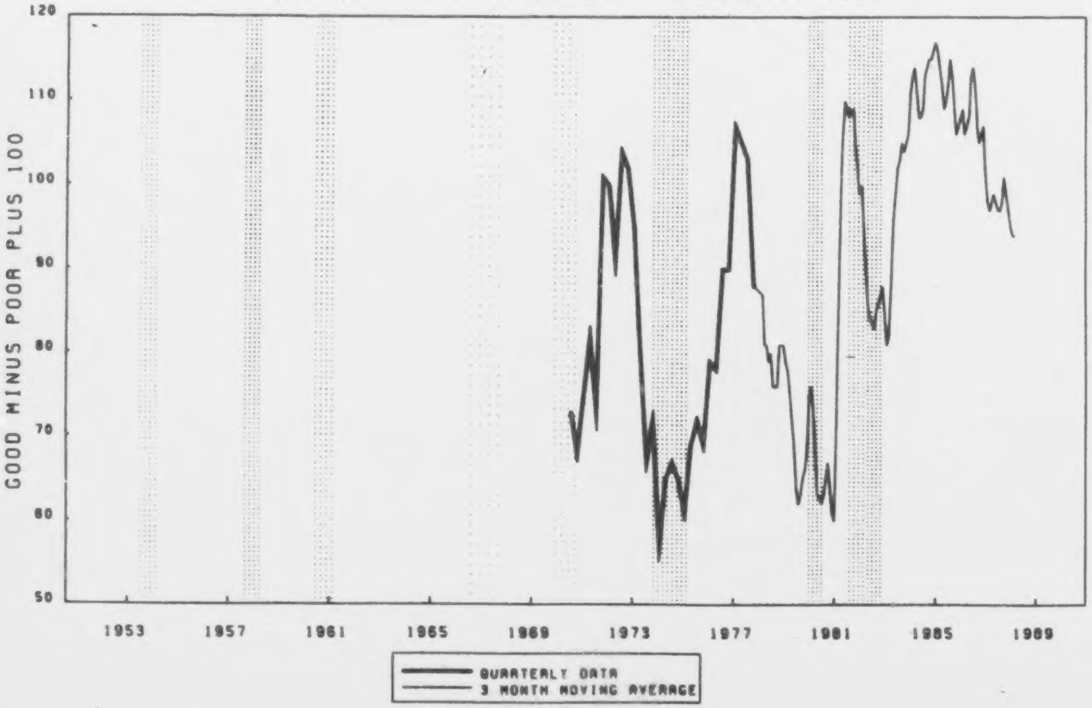


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
A GOOD JOB	23%	21%	21%	23%	21%	23%	23%	25%	18%	19%	17%	18%	23%
ONLY FAIR	52	55	55	49	52	48	54	48	54	56	60	53	49
A POOR JOB	24	22	23	25	26	26	20	23	25	22	22	27	26
DK,NA	1	2	1	3	1	3	3	4	3	3	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

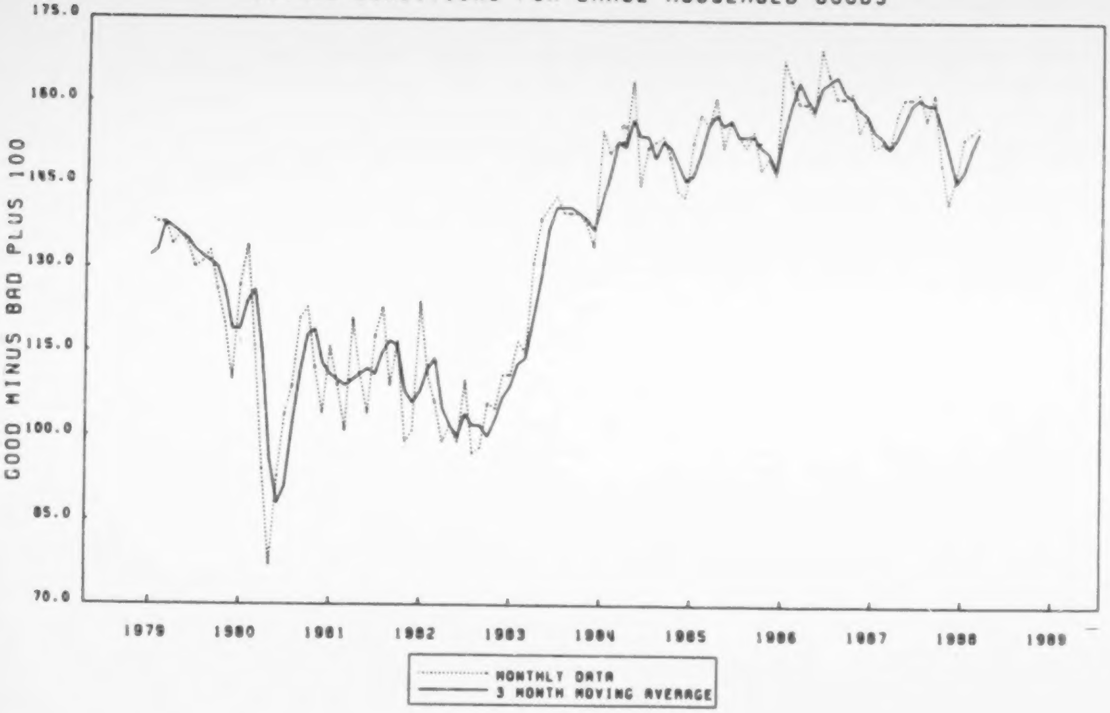


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

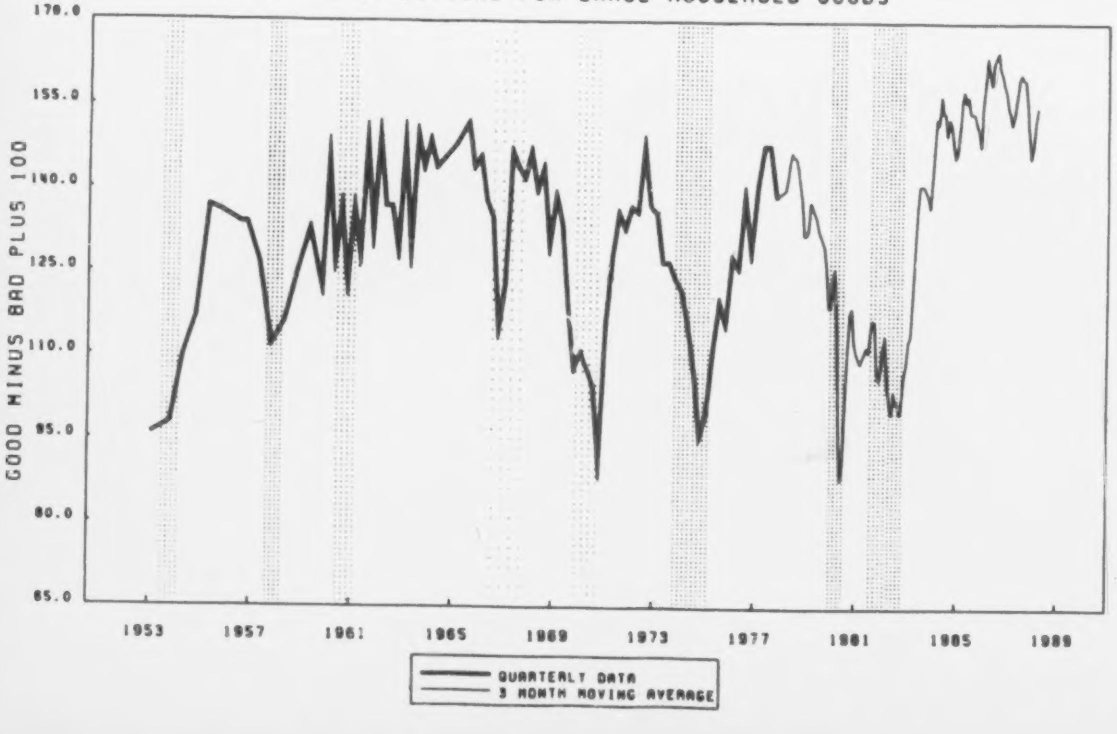


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIME TO BUY	71%	74%	76%	76%	76%	74%	75%	69%	66%	69%	72%	72%	71%
UNCERTAIN, DEPENDS	10	10	9	9	10	9	12	11	10	9	10	11	14
BAD TIME TO BUY	19	16	15	15	14	17	13	20	24	22	18	17	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

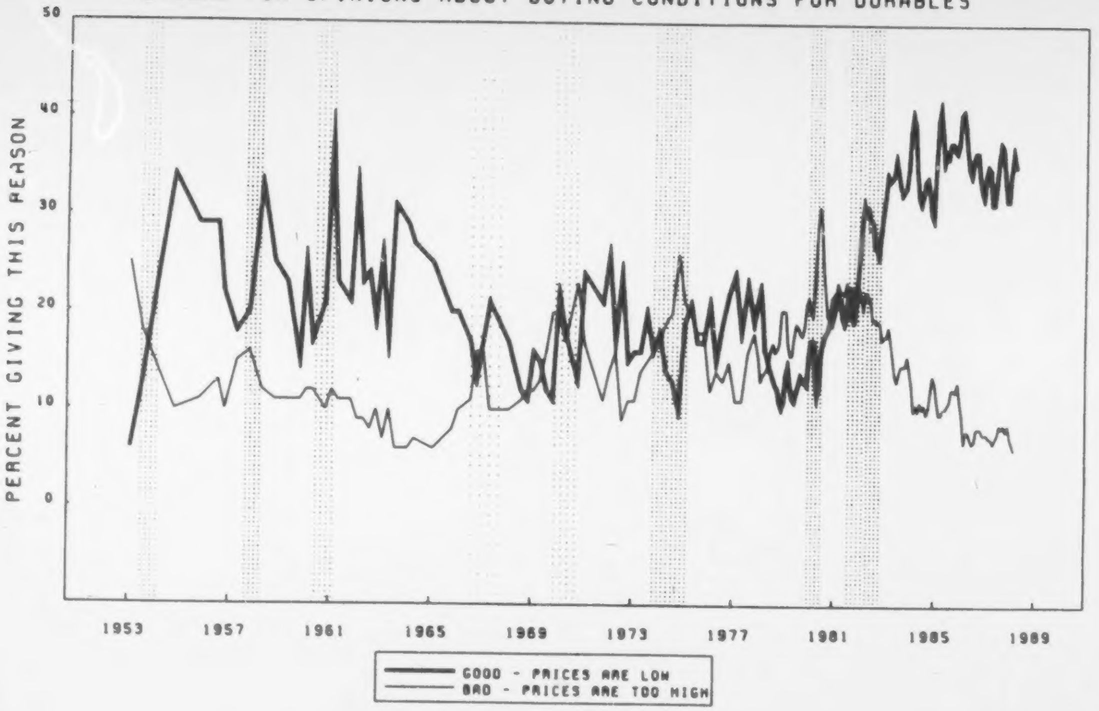


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

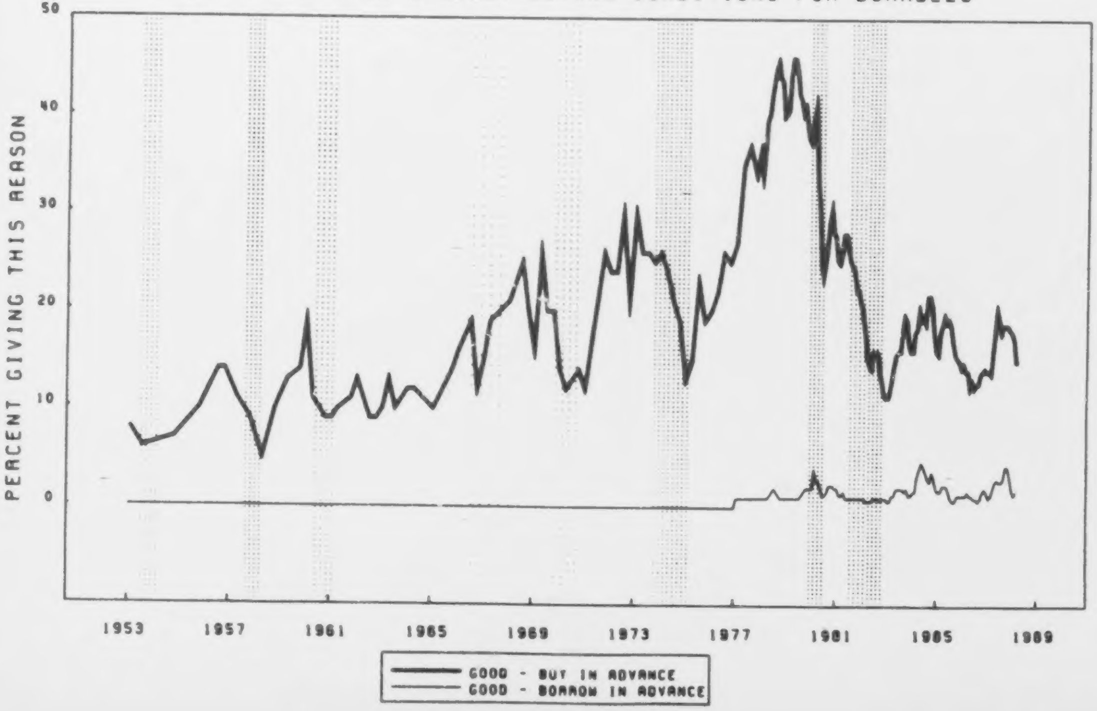


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	29%	33%	38%	37%	38%	37%	28%	30%	37%	37%	36%	33%
Prices won't come down; are going higher	14	20	20	21	17	16	23	17	16	22	16	14	15
Interest rates low	21	18	16	12	11	15	11	9	11	8	6	8	10
Borrow-in-advance rates	2	3	3	3	2	3	4	6	3	1	2	1	2
Times are good; prosperity	6	7	6	5	6	6	6	7	4	4	6	7	8
BAD TIME TO BUY:													
Prices are high	7	7	6	9	8	9	8	9	7	10	5	5	8
Interest rates are high; credit is tight	4	3	3	3	3	4	4	4	8	6	4	5	4
Times are bad; can't afford to buy	6	4	3	4	3	5	2	6	4	4	8	6	5
Bad times ahead; uncertain future	2	1	2	2	2	1	1	4	10	5	4	4	2

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

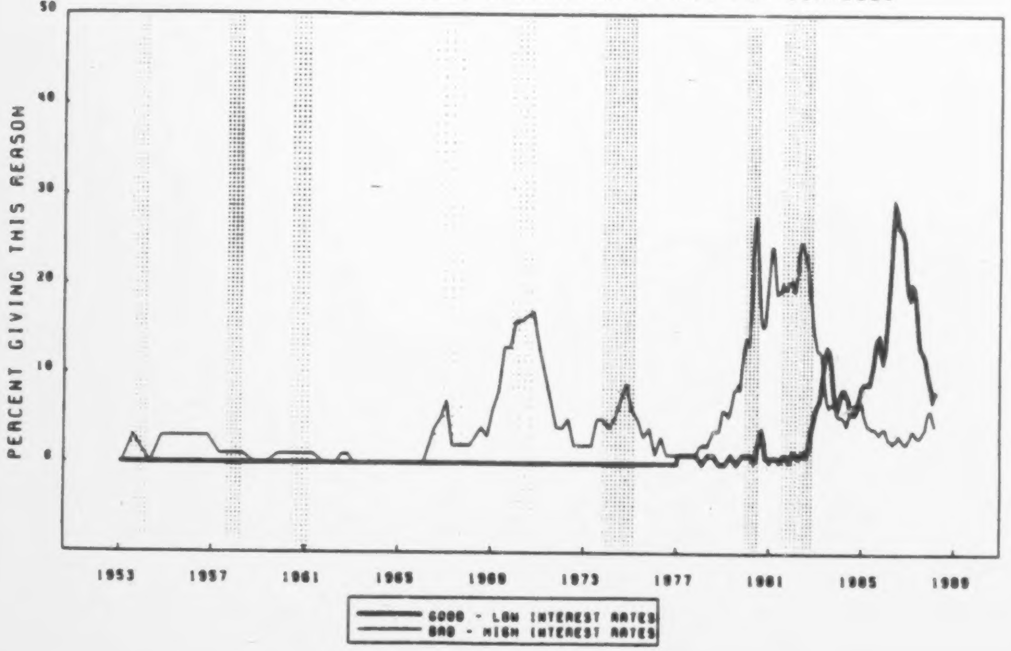


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

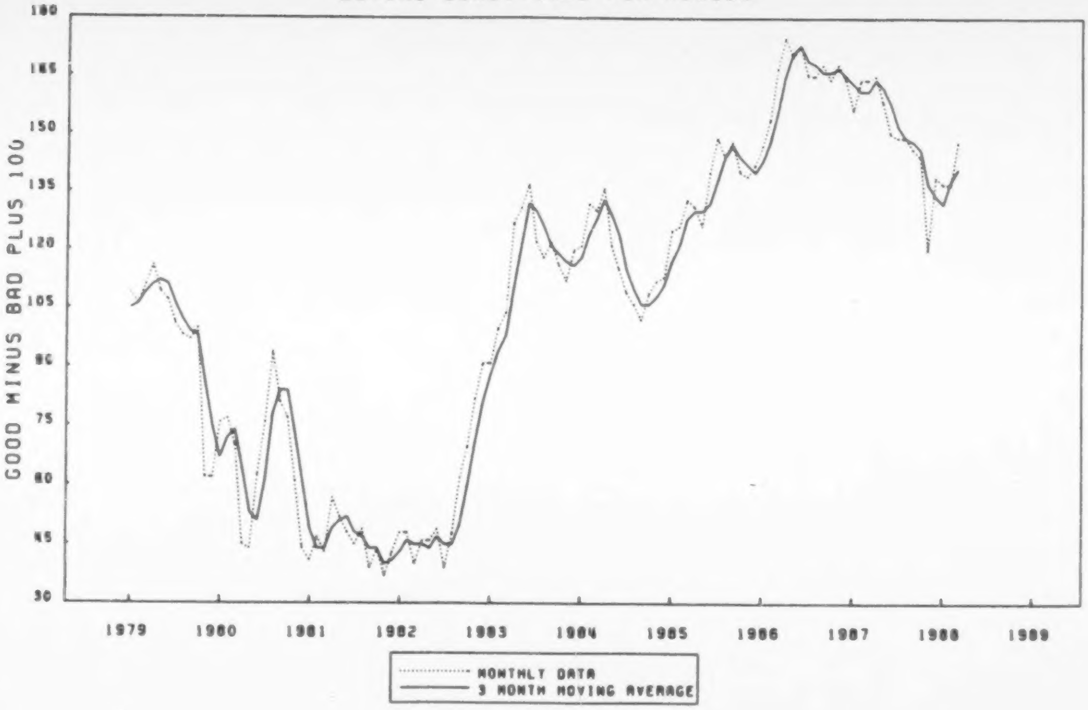


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

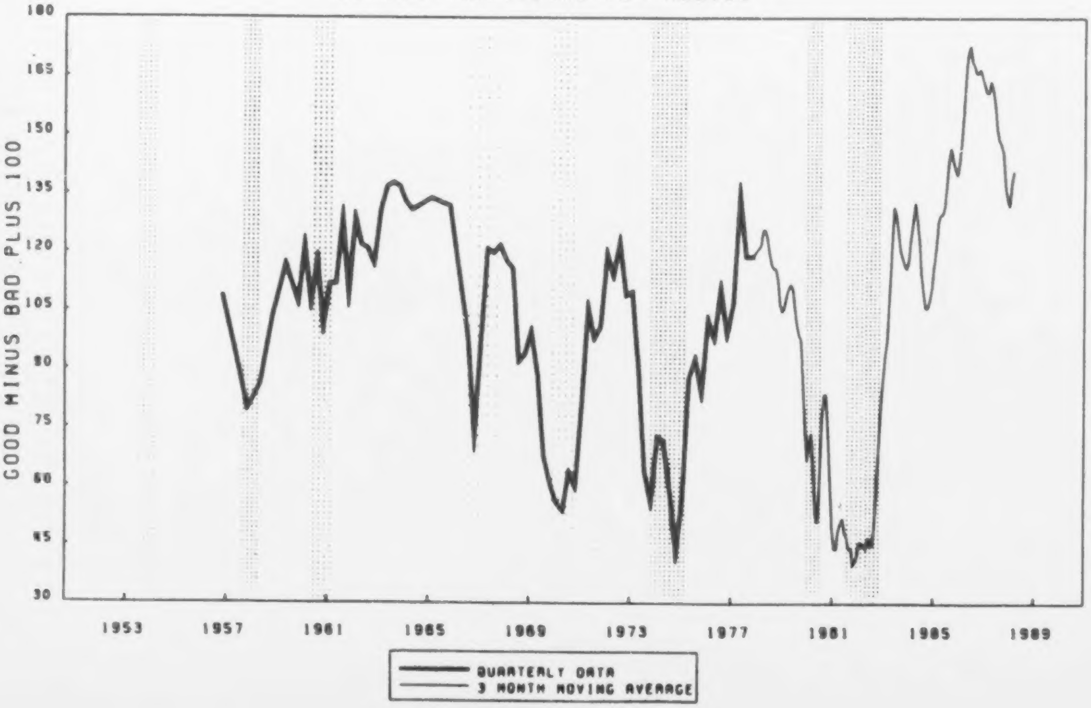


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIME TO BUY	80%	82%	77%	73%	72%	73%	71%	70%	58%	68%	67%	67%	71%
UNCERTAIN, DEPENDS	4	1	4	4	5	3	4	4	4	3	3	3	6
BAD TIME TO BUY	16	17	19	23	23	24	25	26	38	29	30	30	23
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

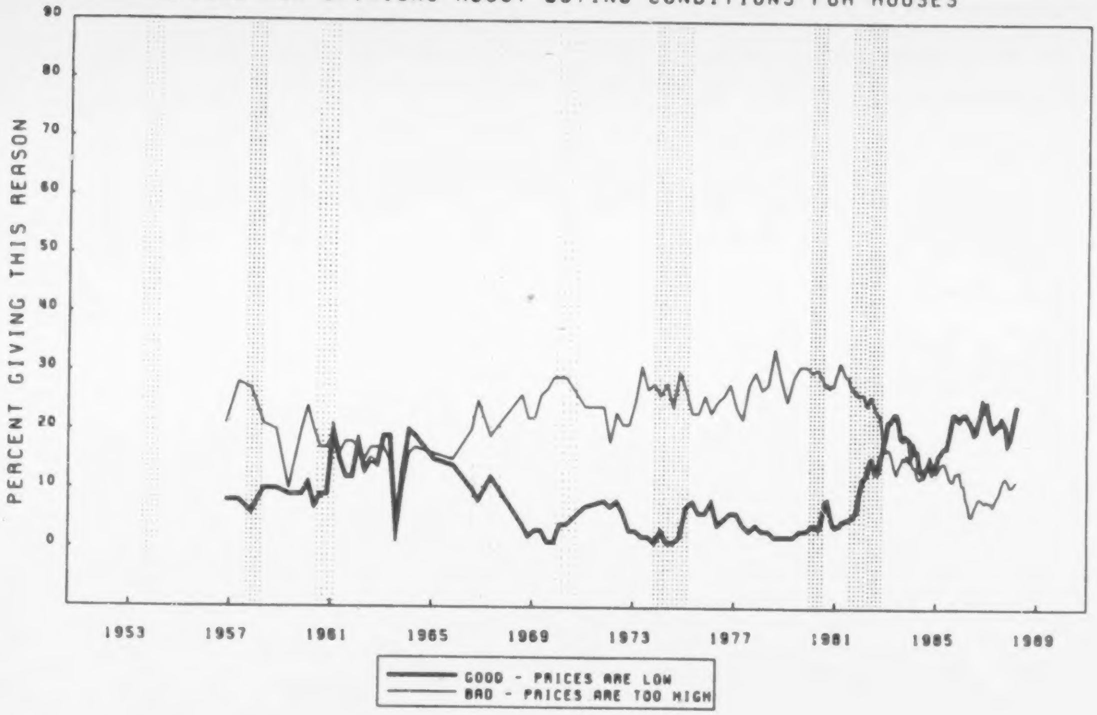


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

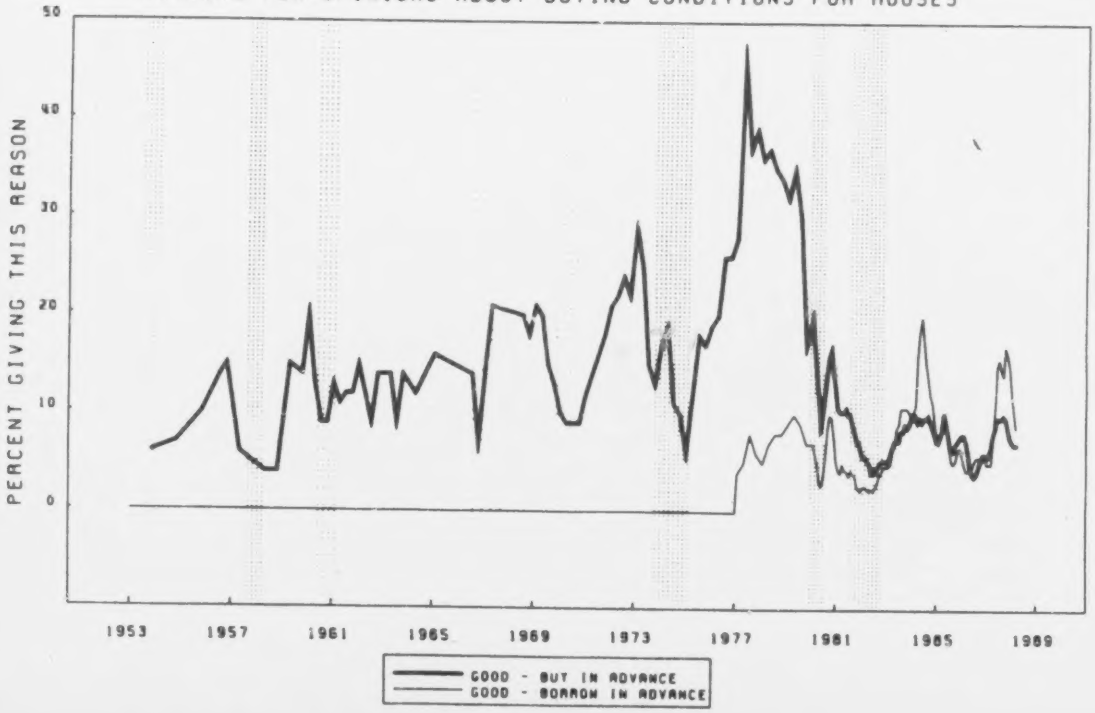


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	21%	22%	21%	21%	25%	19%	19%	16%	21%	24%	22%	27%
Prices won't come down; are going higher	8	9	9	11	9	9	12	8	6	9	7	5	9
Interest rates low	66	60	50	45	46	44	37	33	32	40	35	44	47
Borrow-in-advance rates	5	11	16	18	13	13	16	22	11	12	13	6	7
Good investment	6	7	5	5	6	7	7	6	7	9	7	4	6
Times are good; prosperity	5	2	4	2	4	2	5	3	3	3	3	4	4
BAD TIME TO BUY:													
Prices are high	8	8	9	10	10	13	13	11	11	10	11	13	11
Interest rates are high; credit is tight	6	4	9	12	12	10	13	18	19	13	13	15	9
Times are bad; can't afford to buy	6	5	5	5	4	5	5	7	5	7	10	7	8
Bad times ahead; uncertain future	1	3	2	3	1	3	3	4	13	7	5	4	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

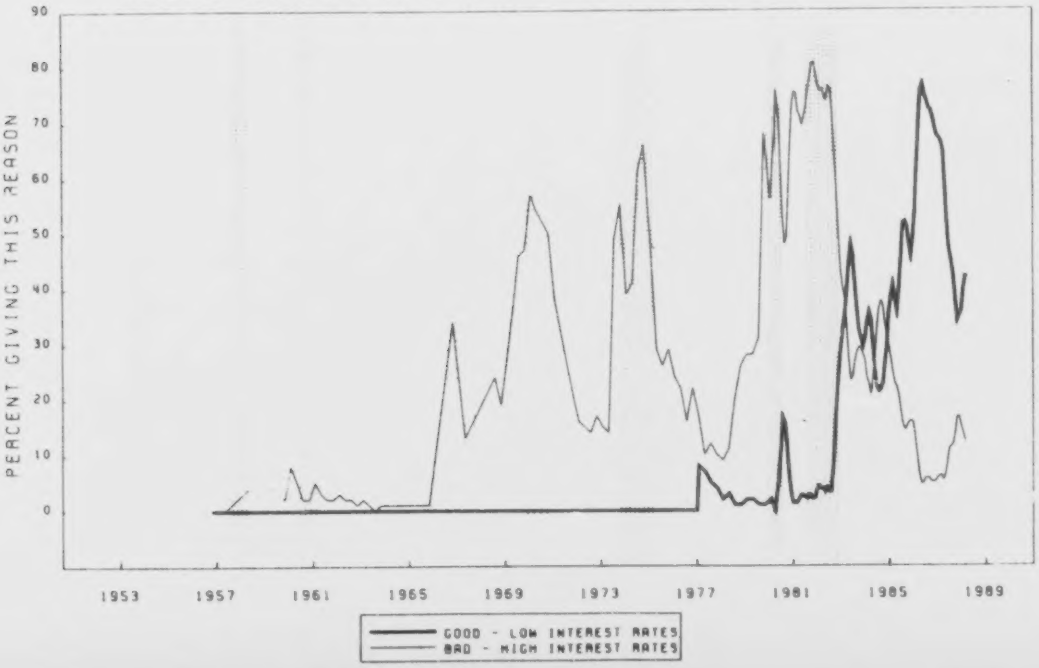


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

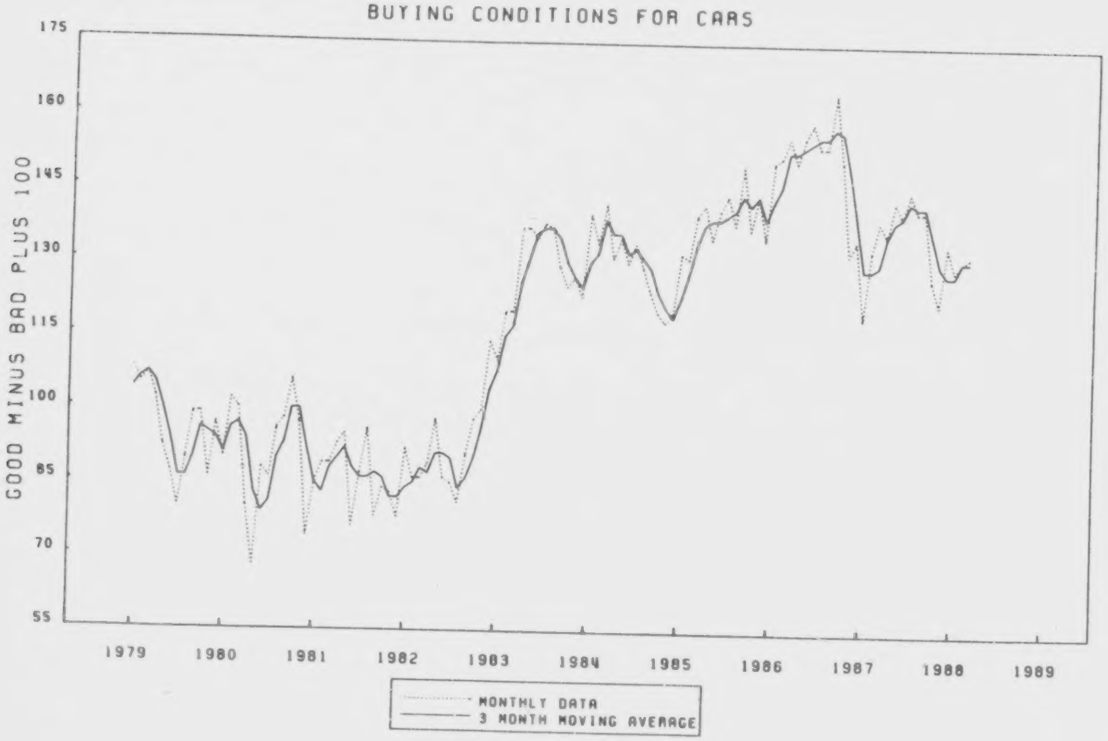


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

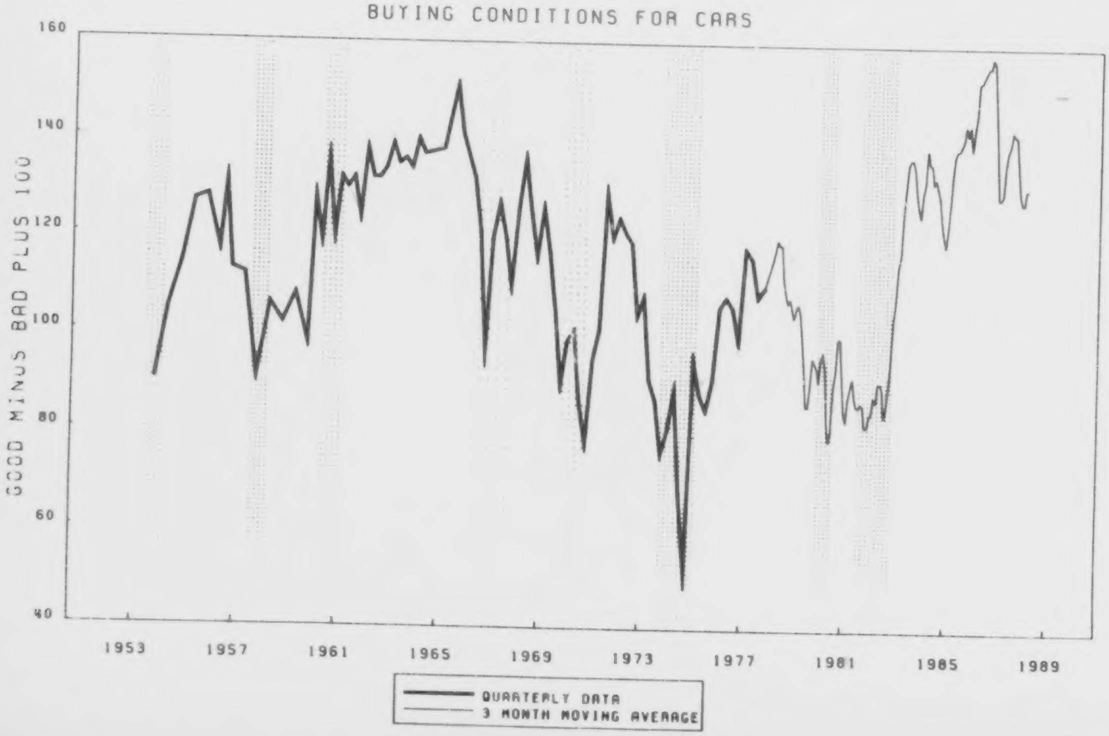


TABLE 25

BUYING CONDITIONS FOR CARS

	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIME TO BUY	66%	64%	67%	65%	67%	66%	66%	58%	57%	64%	59%	59%	62%
UNCERTAIN; DEPENDS	7	8	9	10	11	9	9	11	8	6	11	13	8
BAD TIME TO BUY	27	28	24	25	22	25	25	31	35	30	30	28	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	652	651	654	651	654	650	500	501	500	502	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

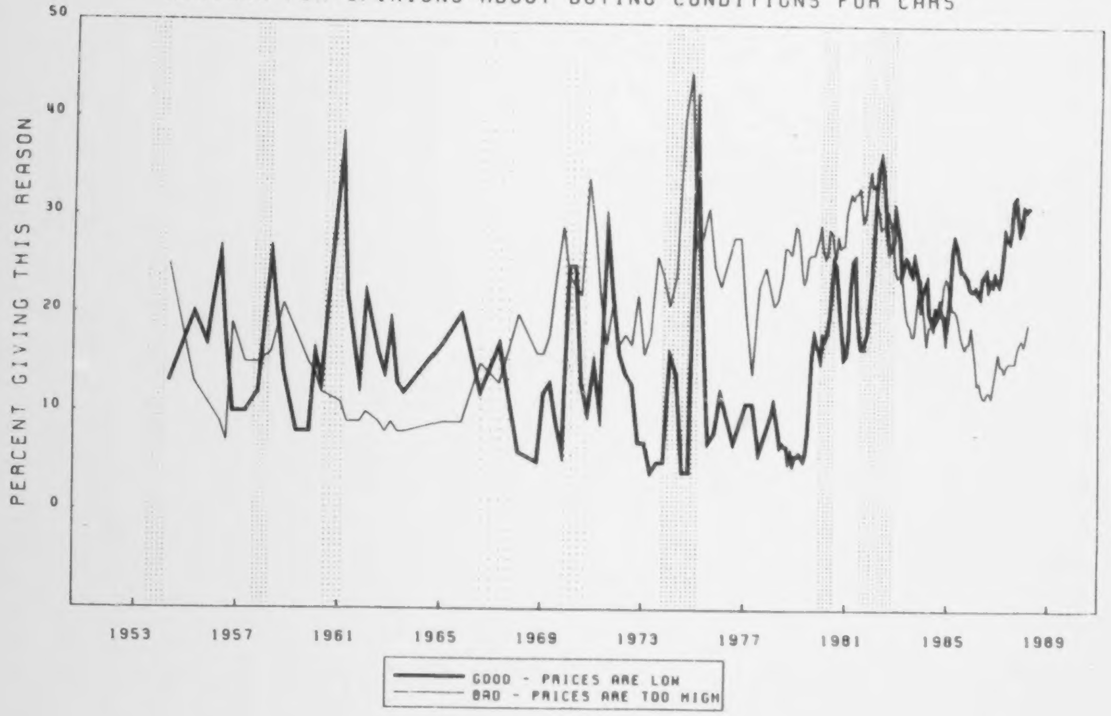


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

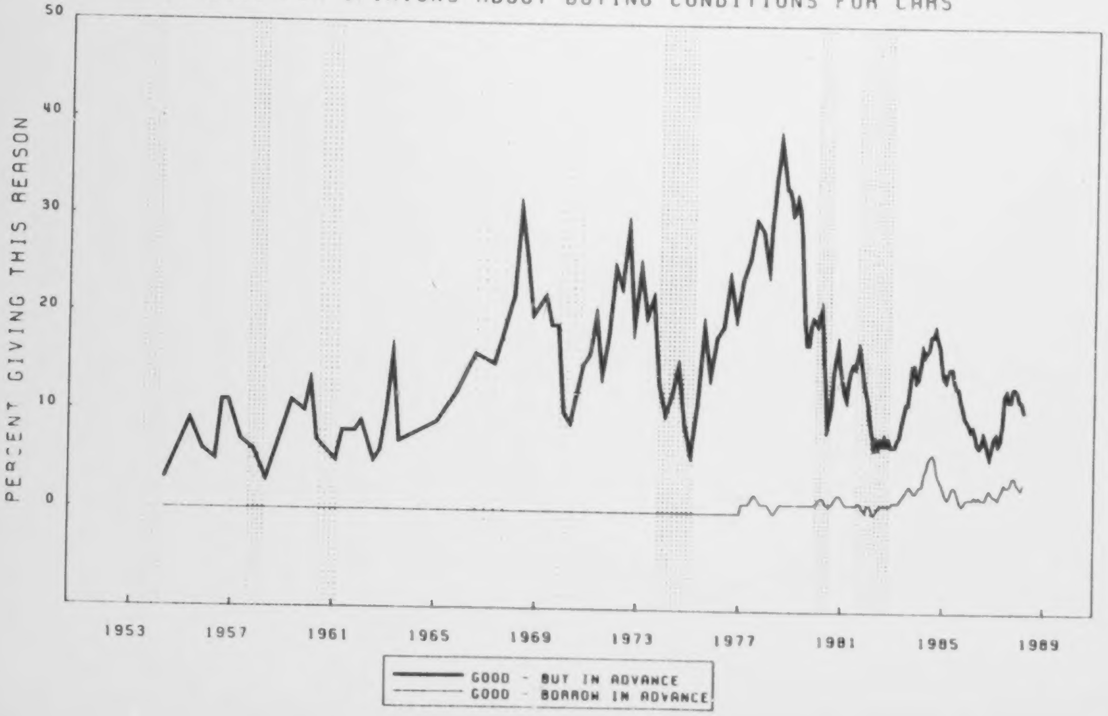


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

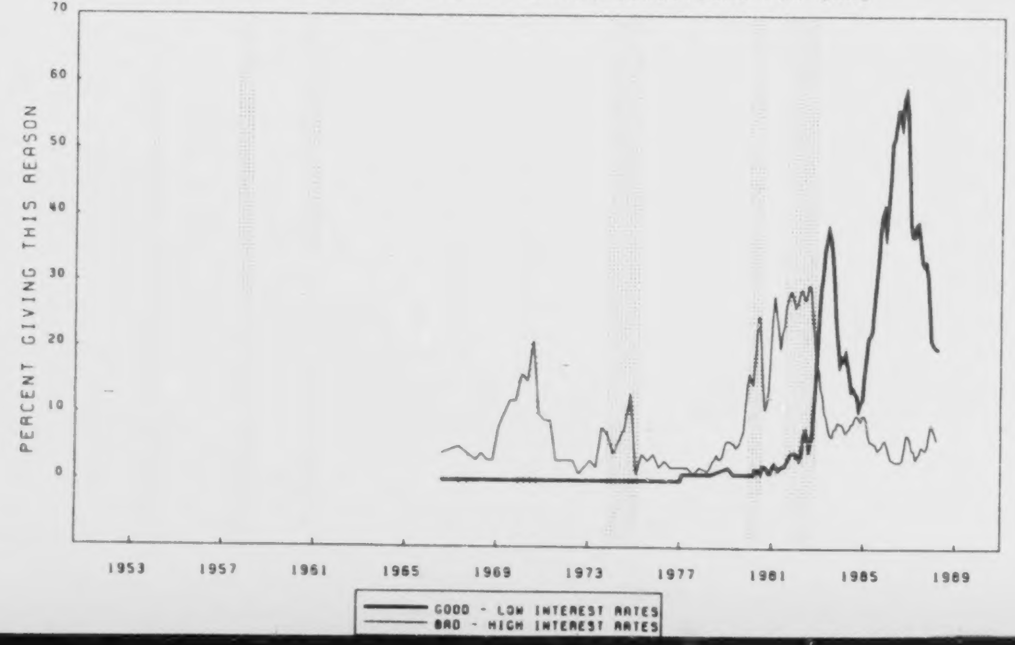
	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	29%	28%	27%	28%	32%	36%	29%	26%	31%	31%	32%	30%	32%
Prices won't come down; are going higher	6	9	13	15	10	10	15	14	10	14	11	10	11
Interest rates low; credit is easy	44	40	40	38	30	37	40	27	24	23	23	22	24
Interest rates low	43	37	37	35	28	35	36	22	21	21	20	20	20
Borrow-in-advance rates	1	4	3	3	3	3	4	5	3	2	4	2	4
Times are good; prosperity	1	3	2	*	3	2	2	4	2	2	3	3	4
BAD TIME TO BUY:													
Prices are high	15	15	15	16	15	15	16	19	17	17	17	20	21
Interest rates are high; credit is tight	4	2	6	5	5	5	4	7	10	9	5	8	6
Times are bad; can't afford to buy	3	3	3	3	3	3	3	3	4	4	5	4	3
Bad times ahead; uncertain future	2	2	2	1	1	*	1	3	9	4	3	2	2
Poor selection; quality	2	3	3	2	3	5	4	2	2	4	4	3	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

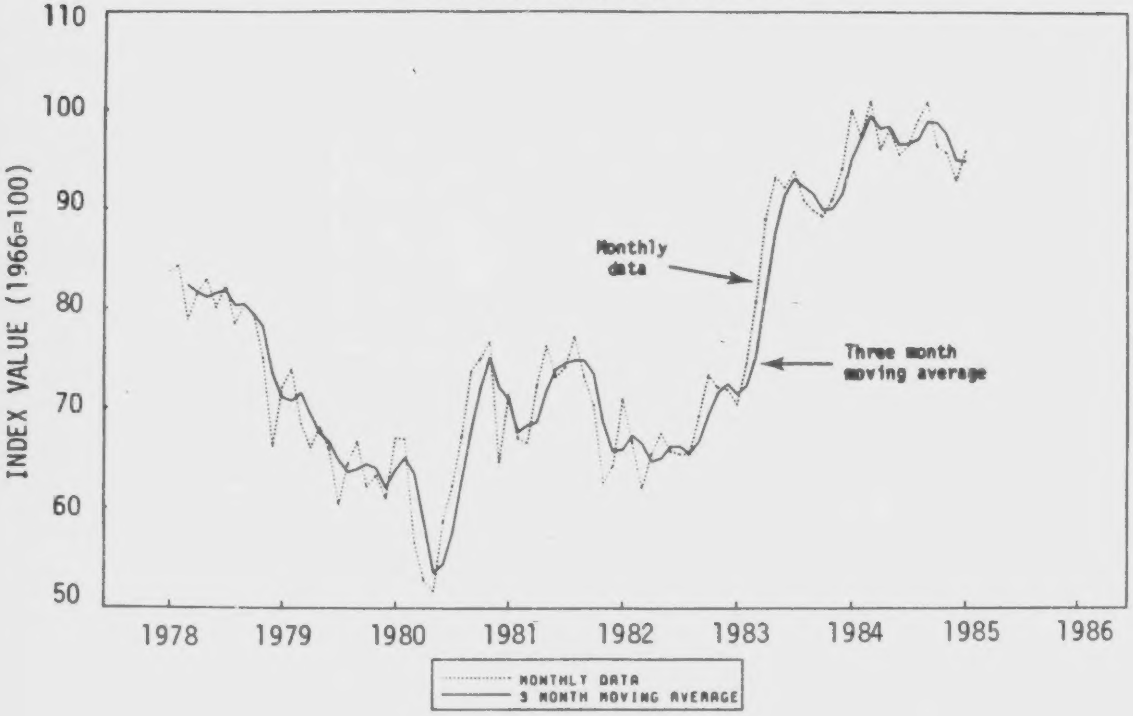
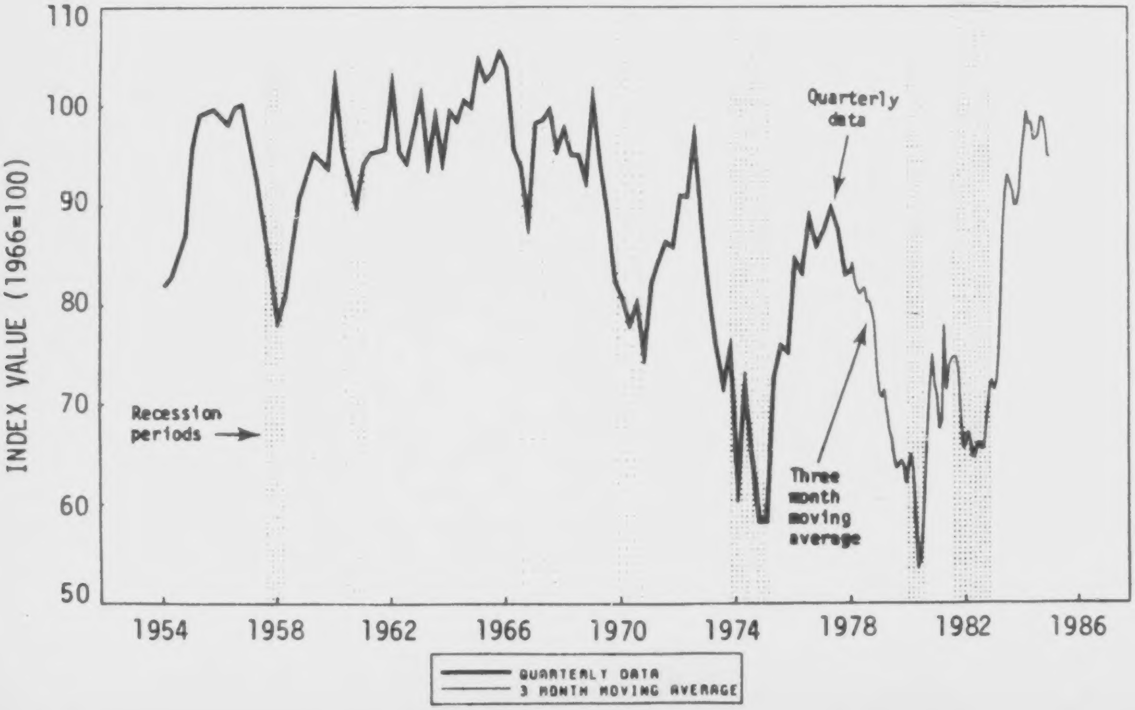


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

May 6, 1988

APRIL 1988 MONTHLY REPORT

47475-2 A

Surveys of Consumers

Richard T. Curtin, *Director*

REBOUND FROM CRASH WANES

- The Index of Consumer Sentiment was 91.2 in the April 1988 survey, down from 94.6 in March. The April reading remains well above the post crash low of 83.1, and just below the year earlier reading of 92.8. The April decline was largely concentrated in personal financial evaluations, which have receded from the record levels recorded in the first three months of 1988, but nonetheless remained at favorable levels.

- Among families with incomes of $30.000 or more, the Index of Consumer Sentiment was 99.1, down from 103.7 one month earlier, but slightly ahead of the 98.5 recorded one year earlier.

- The proportion of families that reported an improved personal financial situation in the April 1988 survey fell to 41 percent, down from the twenty year peak of 49 percent in March. Even after this decline. the April reading was just above the year earlier mark and more favorable than the cyclical peak recorded in the late 1970s. The April decline was due to fewer reports of family income increases. From January to March of this year. nearly 40 percent of all families reported that they received income increases; in April. the proportion dropped to 30 percent.

- In addition to fewer reports of income increases during the past year. the survey also recorded declines in prospects for the year ahead. Among all families in the April survey, 34 percent expected their financial situation to improve. down from 39 percent in both the February and March surveys. However, this decline still leaves personal financial prospects at very favorable levels. Just 9 percent of all families expected their financial situation to worsen during the year ahead, while the majority of families expected their financial situation to remain largely unchanged.

- In the April 1988 survey more families judged the national economy to have improved than worsened during the past year by the margin of 47 to 36 percent. This reading reverses the post crash lows. and is comparable to the year earlier reading. Most consumers expect the performance of the national economy to remain largely unchanged during the year ahead, with the balance of opinion tilted slightly toward improvement by the margin of 21 to 18 percent. equal to the year earlier level.

- The April 1988 survey recorded somewhat more favorable short term prospects for the national economy, while the longer term outlook lost some ground. Among all families, 50 percent expected good times financially in the country as a whole during the year ahead, up from 47 percent in March. and just below the 51 percent recorded one year earlier. In contrast, favorable long term expectations were held by 36 percent of all families in April. down from 39 percent one month earlier and 41 percent one year earlier.

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- This overall outlook for continued but sluggish economic growth has been reflected in relatively favorable unemployment and price expectations, while interest rate expectations have remained troublesome.

- The national unemployment rate was expected to remain largely unchanged during the year ahead at its current ten-year low by the majority of families in the April 1988 survey (56 percent). The proportion that expected the national unemployment rate to increase stood at 28 percent in April, down from the post crash high of 36 percent and the year earlier reading of 33 percent.

- Increases in interest rates during the year ahead were expected by 48 percent of all families in the April 1988 survey, a reading that has remained largely unchanged since the stock market crash. While this represents a significant improvement from the months prior to the crash, when two-thirds expected interest rate increases, it still remains unfavorable and the focal point of concern with current economic prospects.

- Attitudes toward buying conditions for household durables, vehicles, and homes have all remained at very favorable levels in the most recent survey. Favorable attitudes toward vehicle buying conditions were held by 63 percent of all families in the April 1988 survey, just between the 62 percent recorded one month earlier and the 64 percent recorded one year earlier. Buying conditions for appliances, furniture, and home electronics were viewed favorably by 73 percent of all families in April, just above the 71 percent recorded one month earlier and just below the 74 percent recorded one year earlier. Favorable home buying attitudes were held by 72 percent of all families in April, a strong improvement from the post crash low of 58 percent, but still below the record levels recorded a year earlier.

- The maintenance of favorable buying attitudes at high levels has been accompanied by a shift in the underlying reasons given by consumers. During the past year favorable references to interest rates have declined in frequency, shifting more of the emphasis to low and discounted prices. The availability of low interest rates on vehicle purchases were reported by 21 percent of all families in April 1988, down from 37 percent one year earlier; the availability of low mortgage rates were mentioned by 40 percent in April 1988, down from 60 percent one year earlier. In contrast, perceptions of market prices remained very favorable, with twice as many families that cited the availability of low and discounted prices than complained about high prices for household durables (32 versus 7 percent), homes (20 versus 10 percent), and vehicles (30 versus 15 percent).

- Consumer confidence is now more favorable than it would have been if the crash had not taken place. Fearing the worst, the actual developments in the economy since the crash have been judged more favorably than they would have been otherwise. Given the widespread fear and uncertainty spawned by the crash, just avoiding a recession became good news. But such good news quickly becomes old news, and loses its influence on evaluations. The small decline in the April survey reflects this process.

• • •

The April 1988 survey was conducted between April 1 and April 28, 1988 and included 504 completed interviews.

6/9/88

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SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

APRIL 1988

The April 1988 survey was the 237th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

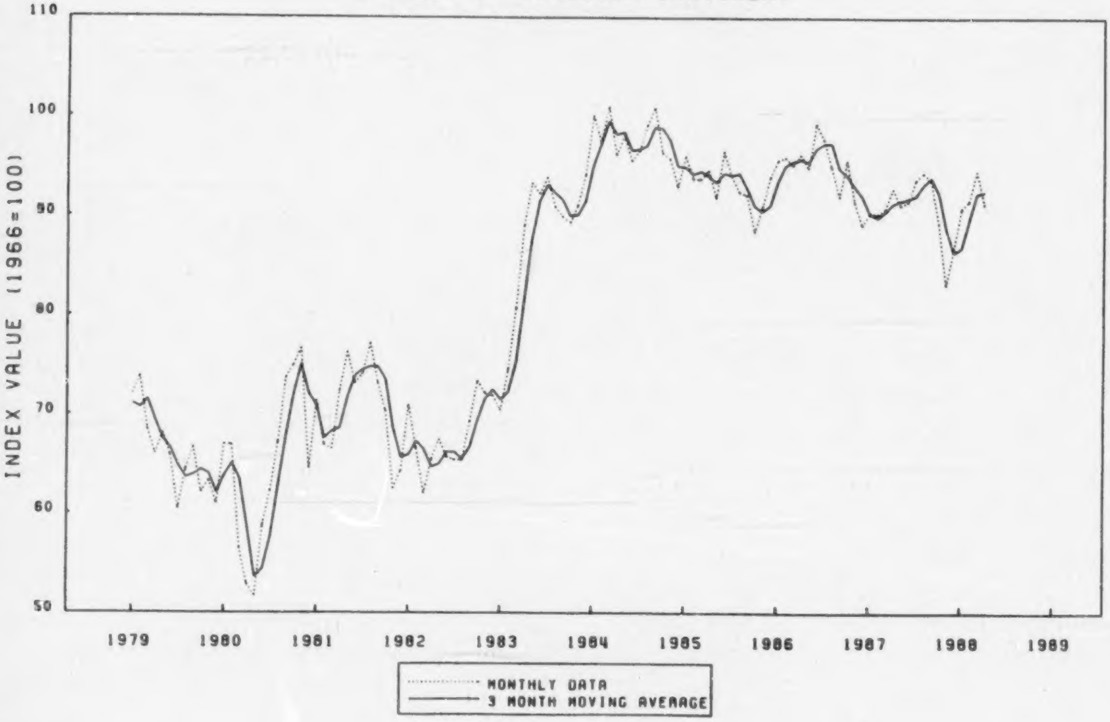


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

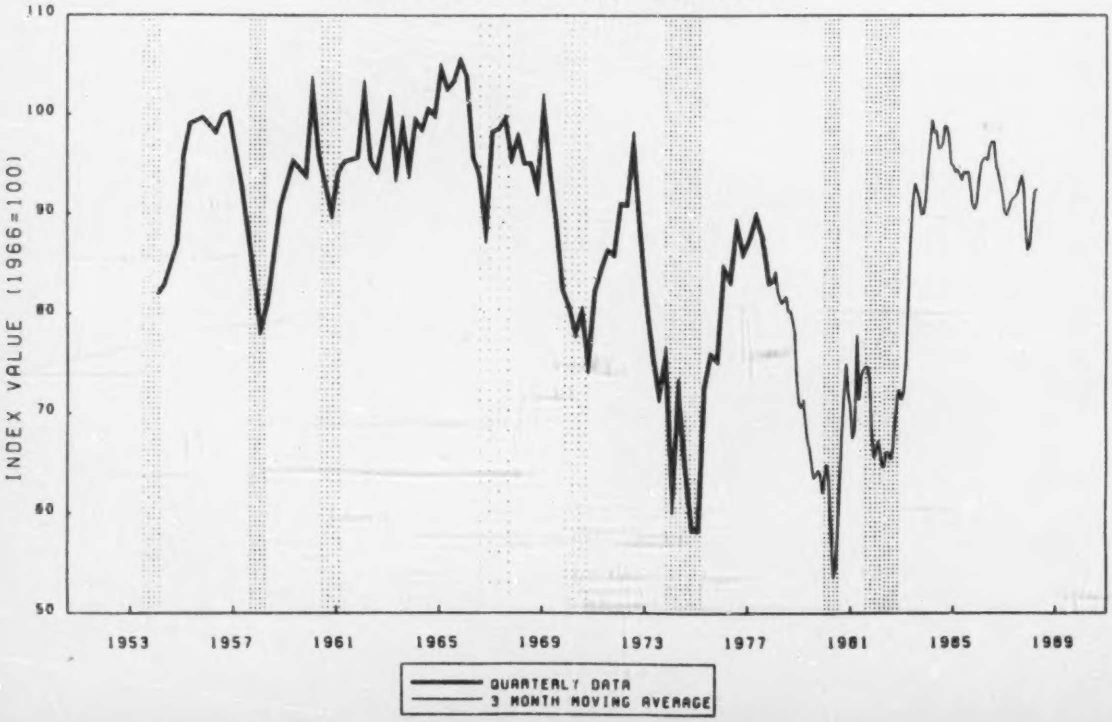


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
April	1985	94.6	108.9	114.9
May	1985	91.8	105.3	107.7
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

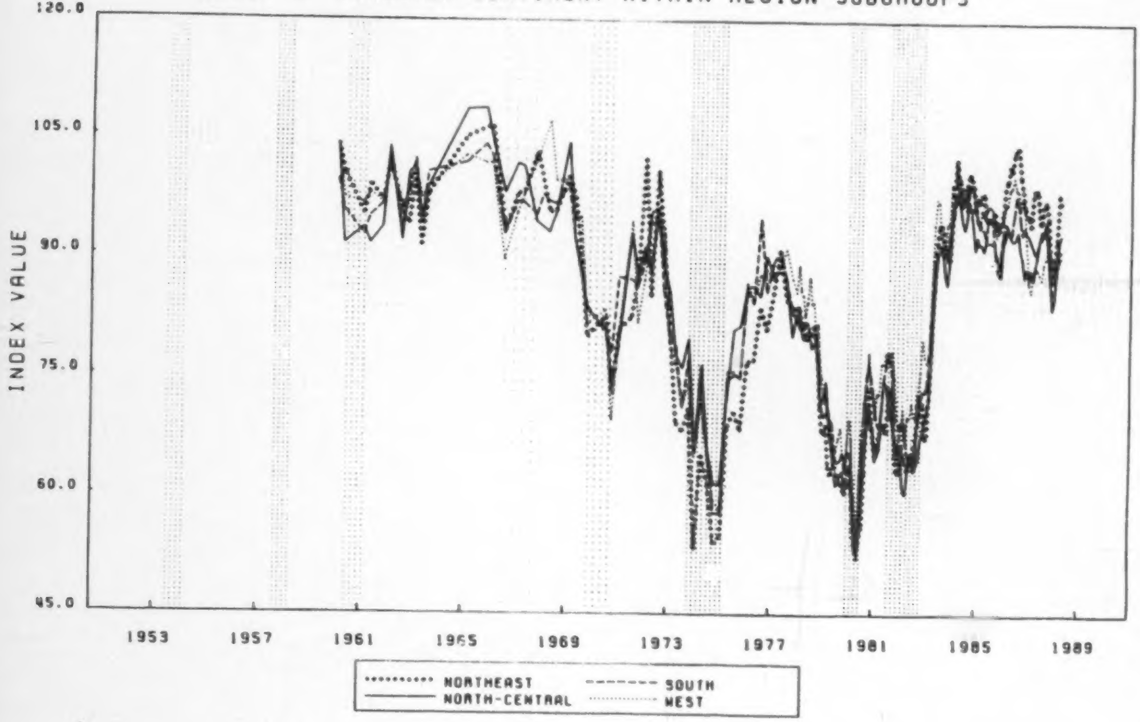


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

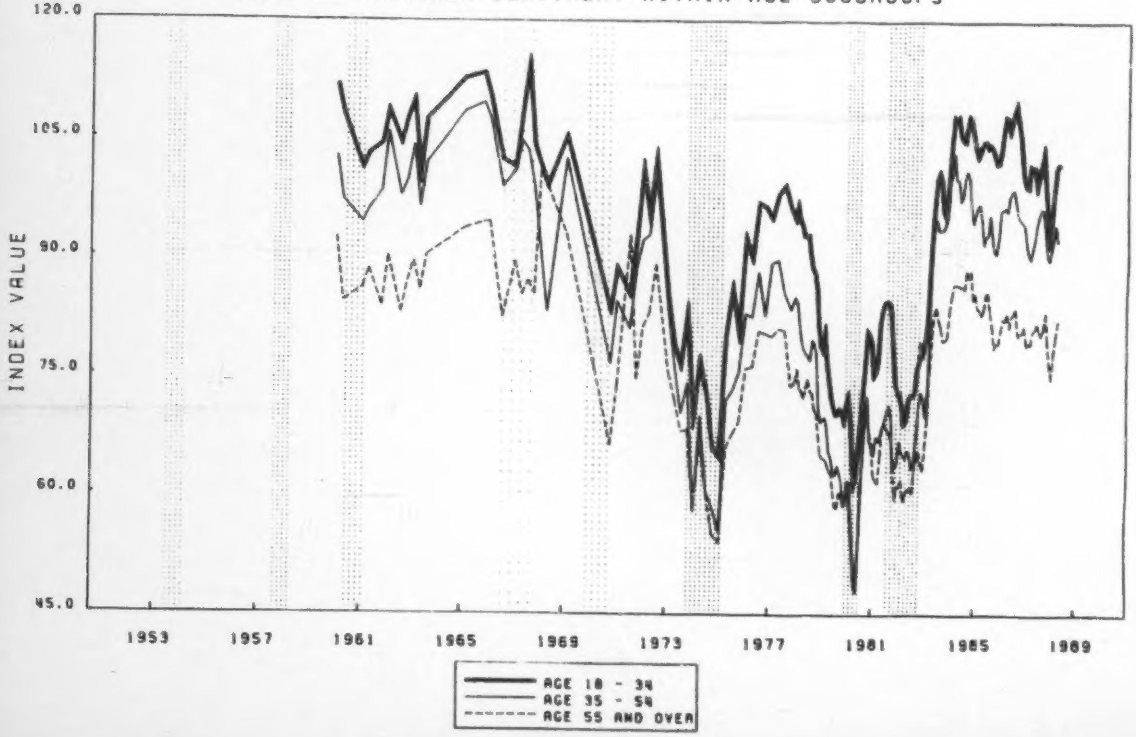


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

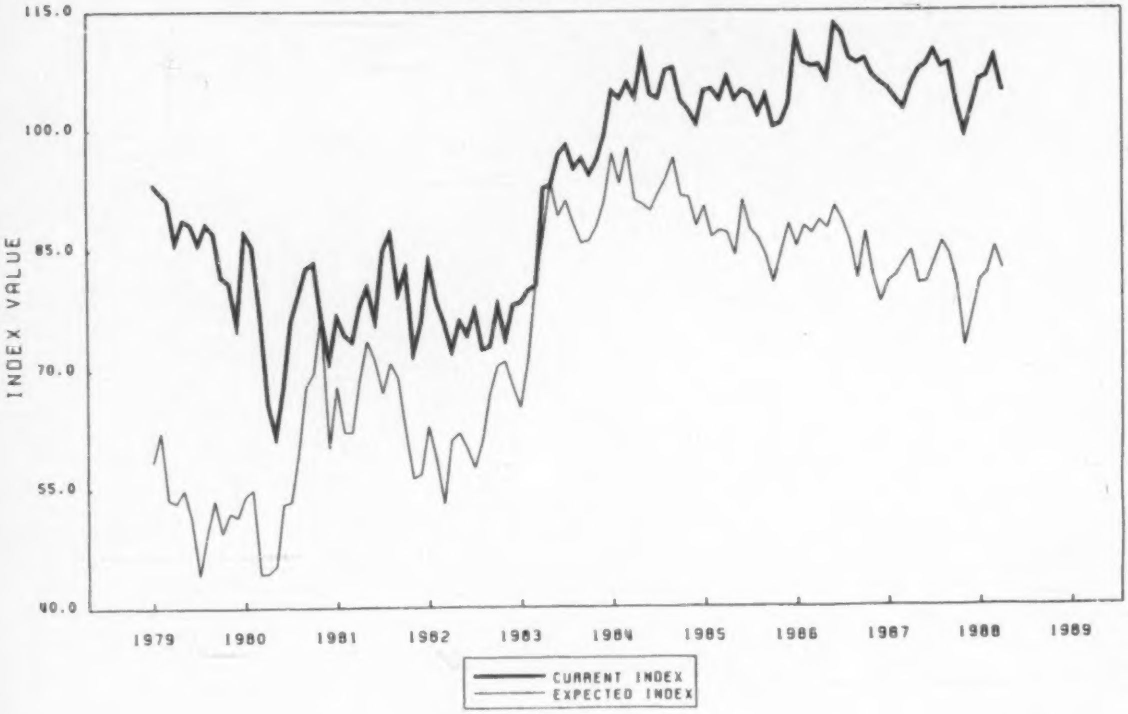


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

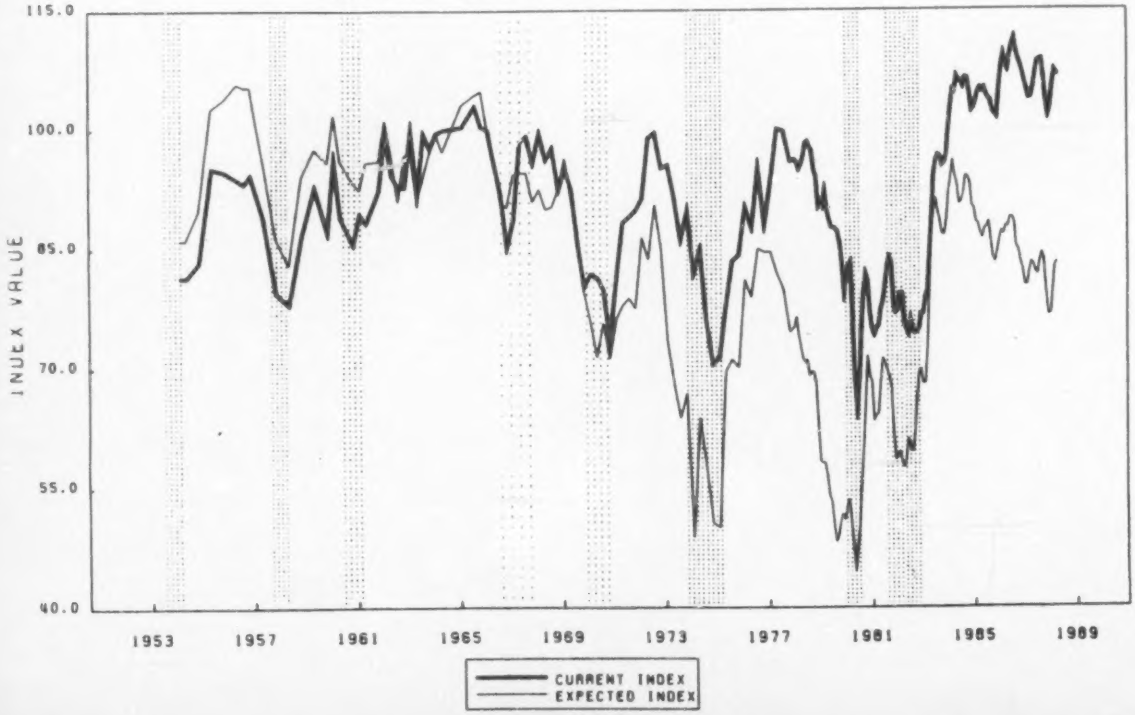


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

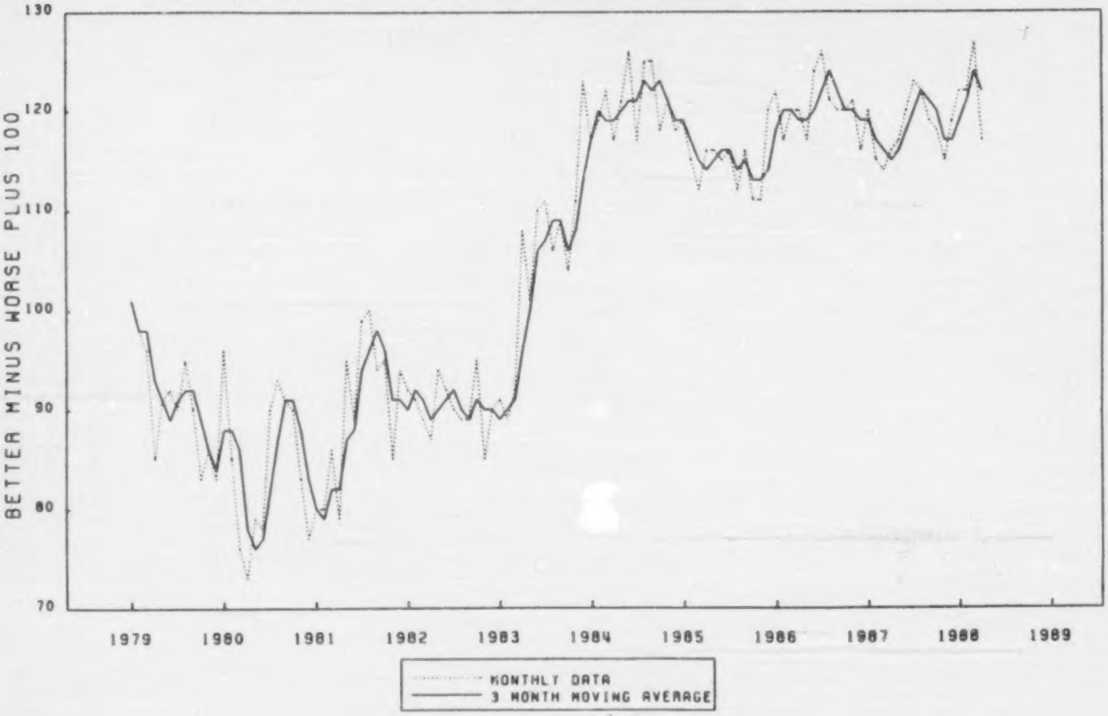


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

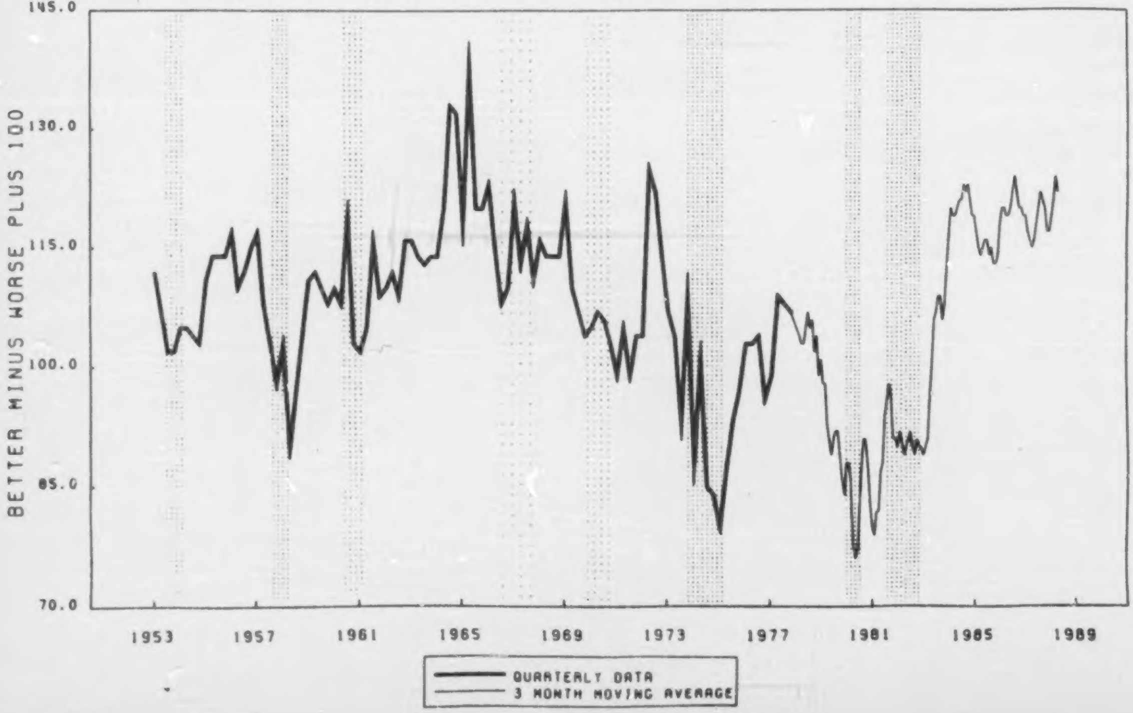


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
BETTER OFF	42%	43%	44%	45%	45%	42%	43%	42%	43%	46%	47%	49%	41%
SAME	32	31	32	32	32	34	32	31	33	29	27	29	34
WORSE OFF	26	26	24	22	23	23	25	27	24	24	25	22	24
DK,NA	*	*	*	1	*	1	*	*	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

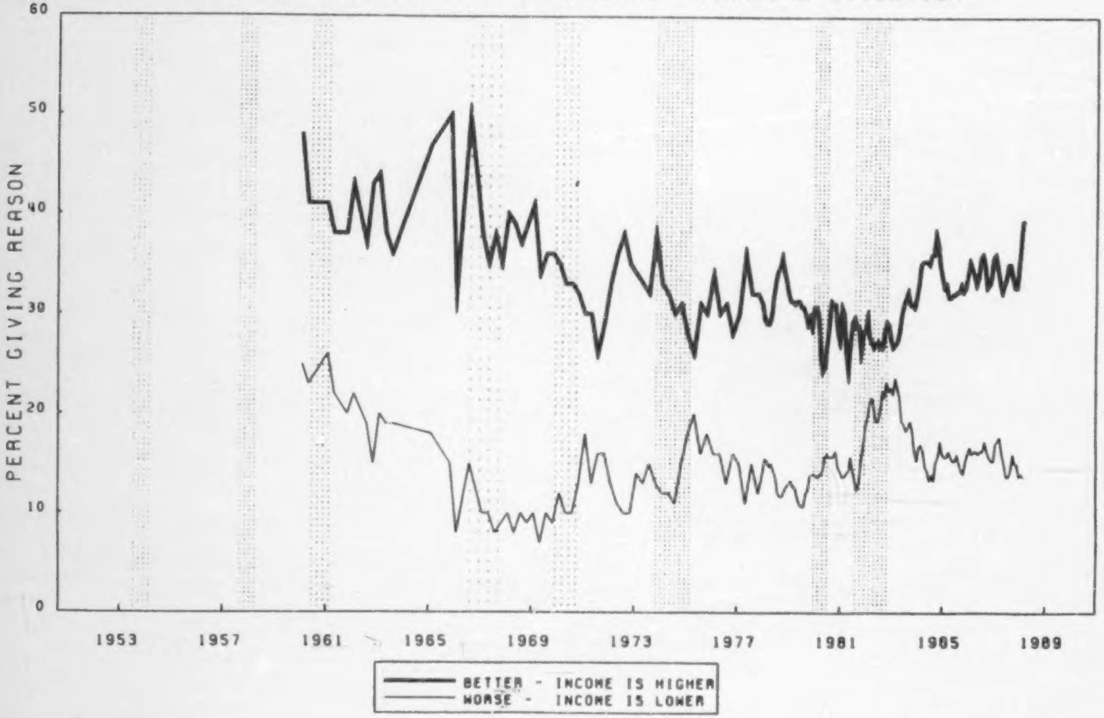


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

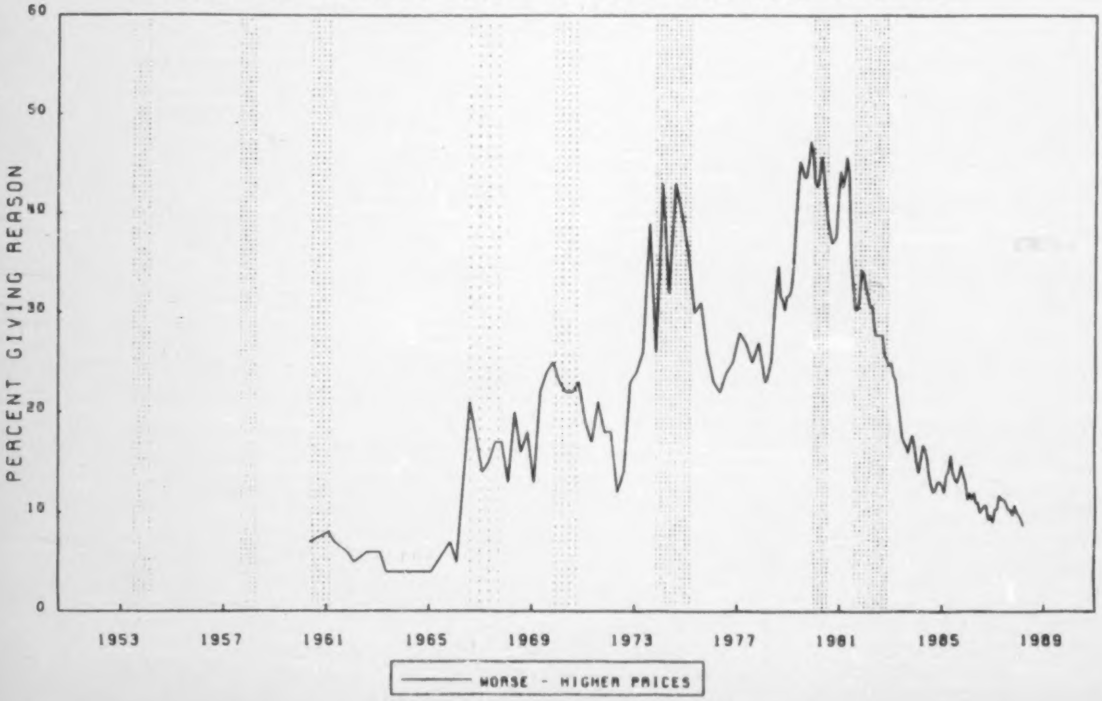


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	34%	32%	33%	36%	36%	33%	32%	33%	33%	39%	39%	40%	30%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	15	14	12	15	16	17	12	16	13	13	15	14
Higher prices	11	11	12	10	9	12	8	12	10	7	11	8	9

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

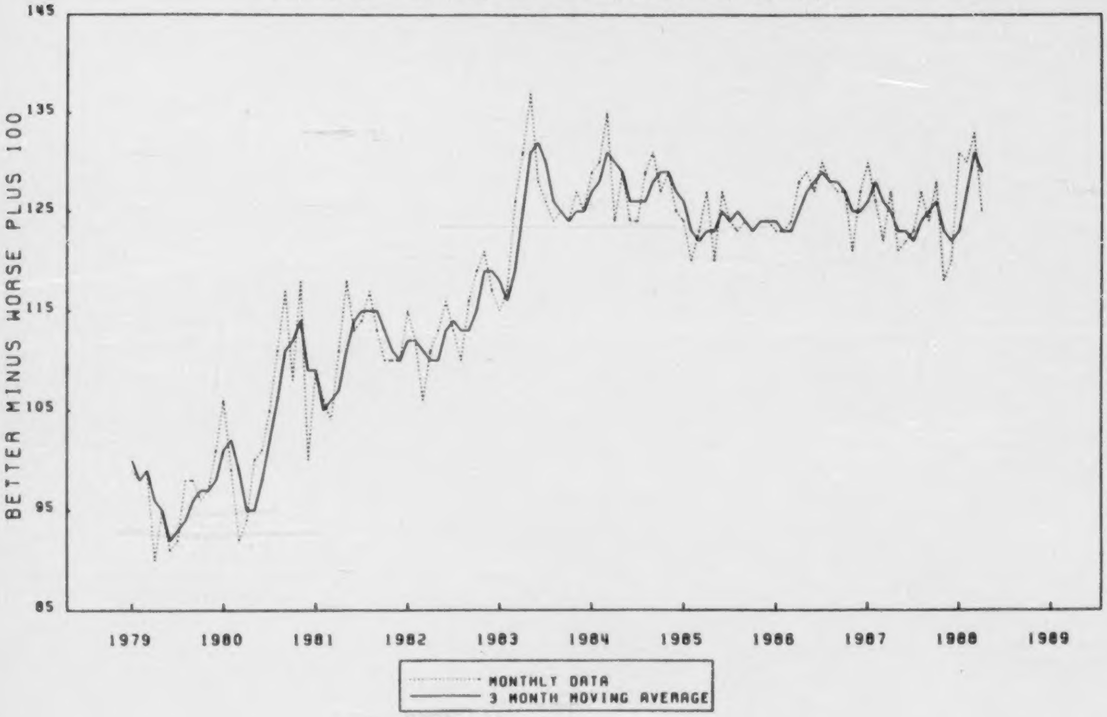


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

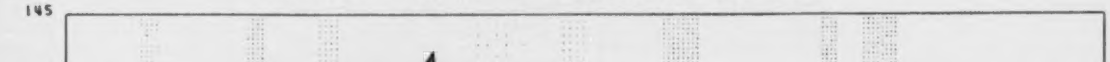


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
BETTER OFF	37%	32%	33%	34%	39%	35%	37%	33%	32%	38%	39%	39%	34%
SAME	49	54	53	52	46	49	51	49	51	53	48	52	54
WORSE OFF	10	11	11	11	12	11	9	15	12	7	9	6	9
DK,NA	4	3	3	3	3	5	3	3	5	2	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

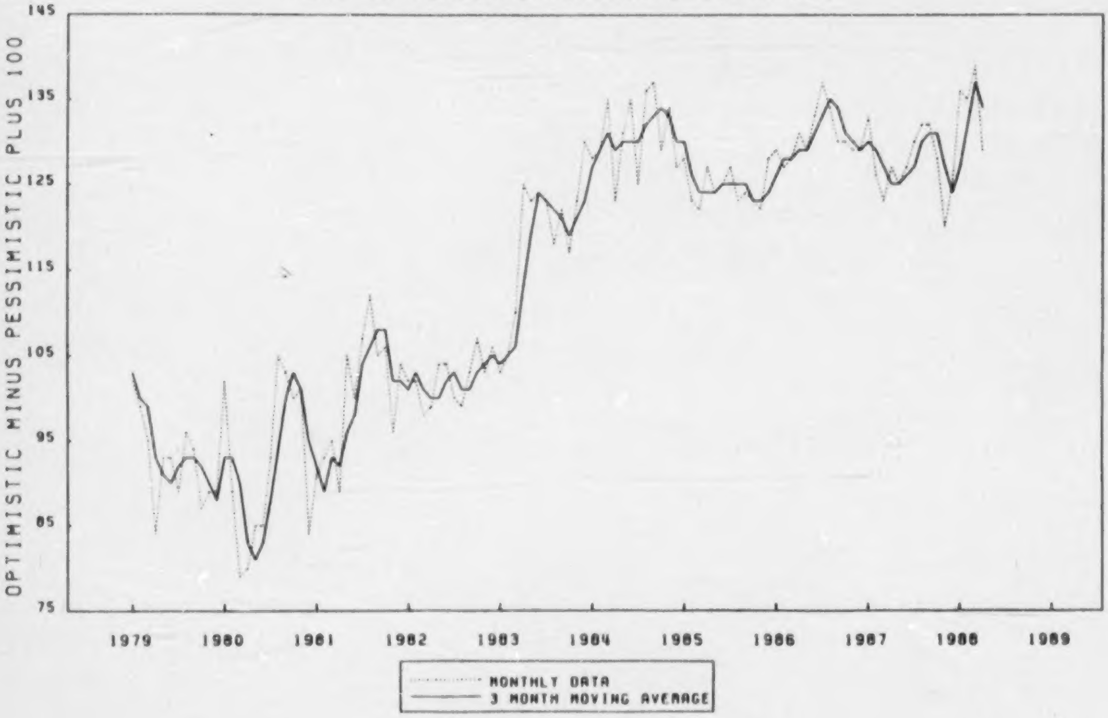


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

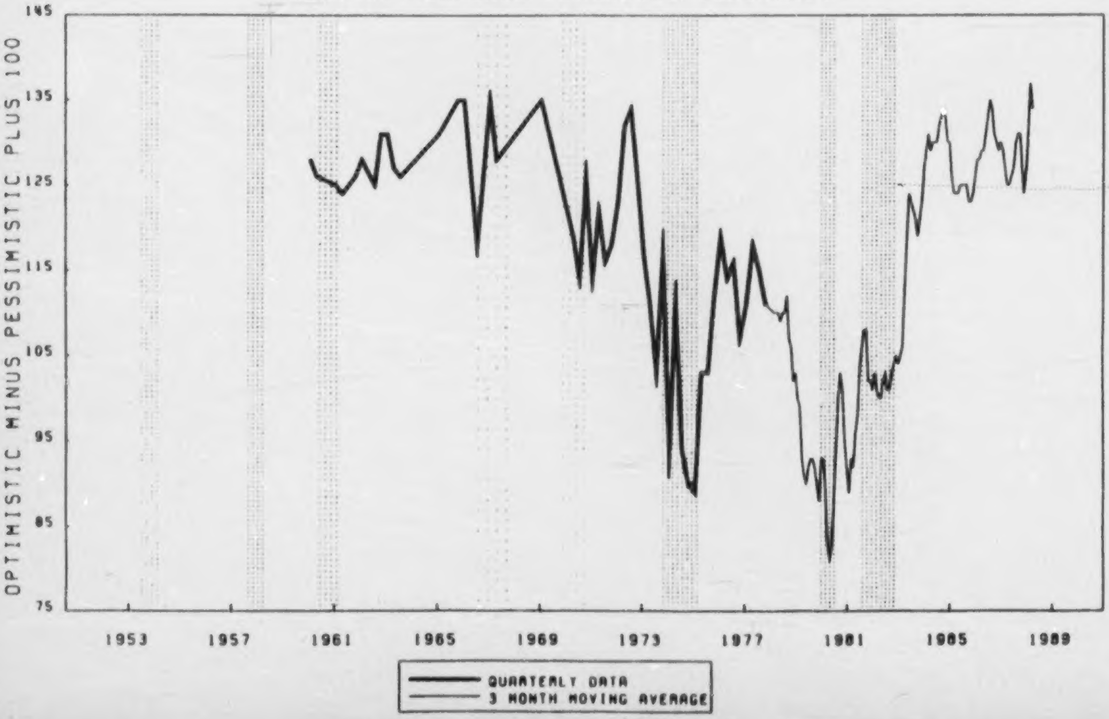


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	19%	17%	18%	19%	23%	18%	23%	19%	17%	21%	20%	25%	18%
Intermittant increase (b)	28	28	31	29	29	31	24	25	27	31	31	30	30
Remain unchanged (c)	17	20	17	20	16	19	21	18	19	19	15	17	20
Intermittant decline (d)	17	16	17	14	16	12	15	18	17	13	13	13	16
Continuous decline (e)	3	4	5	4	4	5	4	6	2	3	3	3	3
Mixed change (f)	12	12	8	10	9	10	10	11	13	11	13	9	9
DK,NA	4	3	4	4	3	5	3	3	5	2	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

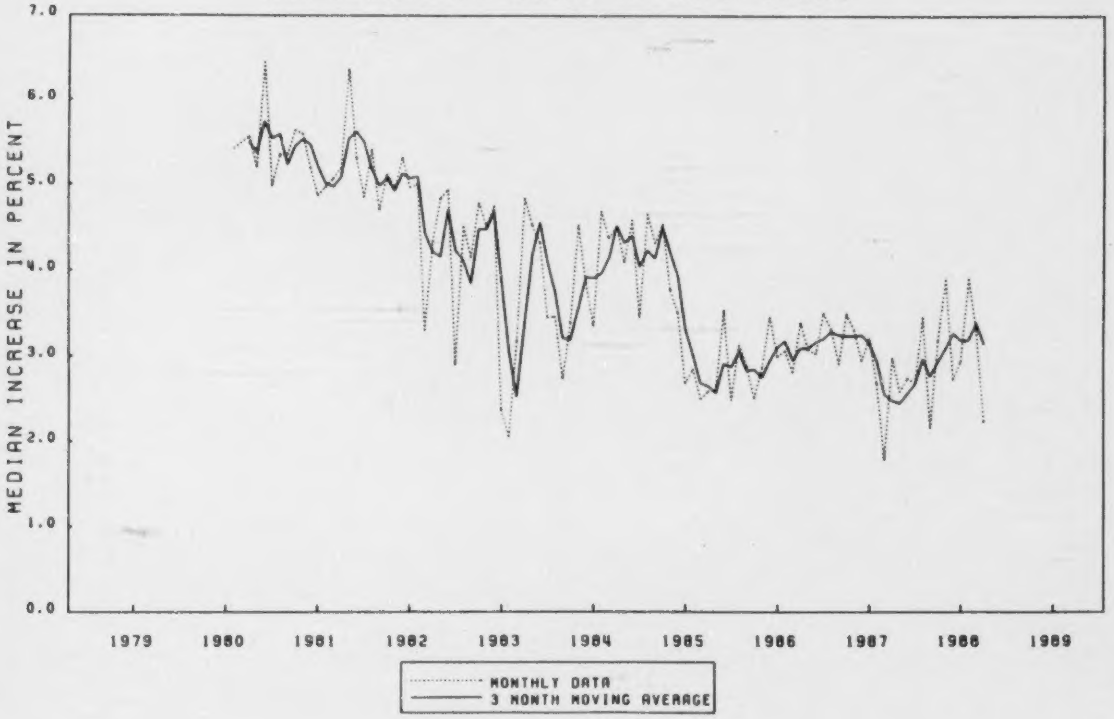


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

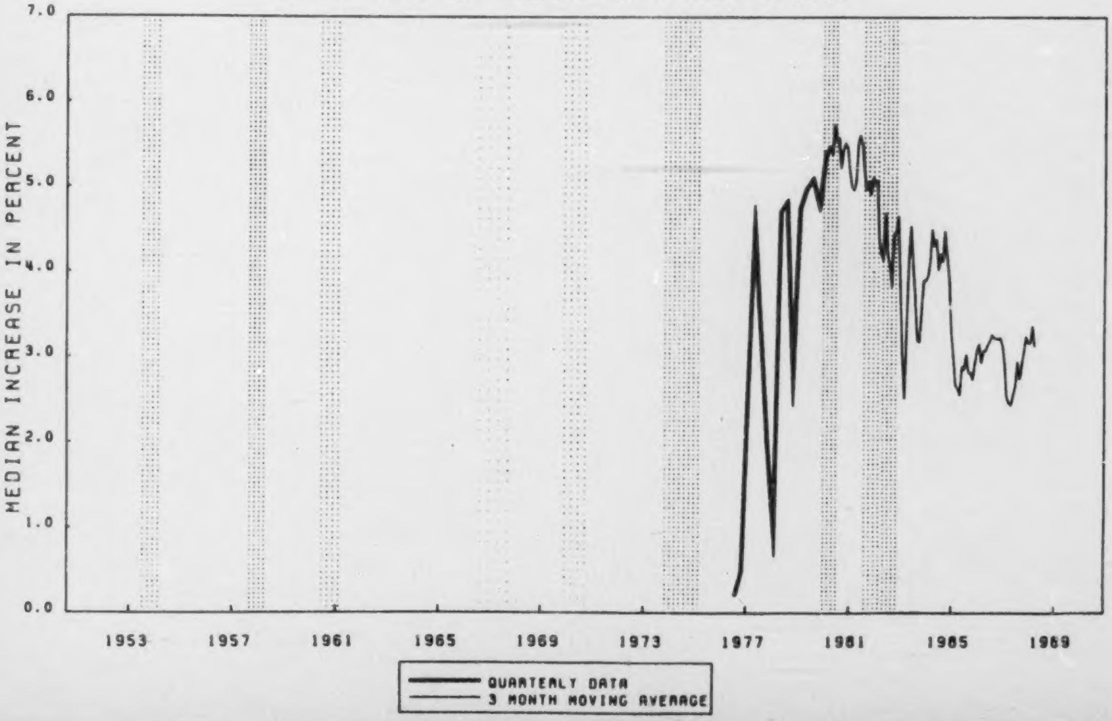


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
EXPECT INCREASE:													
1-4%	15%	18%	21%	18%	17%	17%	15%	18%	19%	18%	16%	16%	16%
5%	9	9	9	9	12	13	10	11	10	12	15	11	9
6-9%	8	8	10	7	6	6	9	8	8	7	8	7	6
10-24%	19	14	13	16	17	10	15	18	14	15	17	17	14
25% or more	5	6	5	6	8	6	5	7	4	6	5	7	6
DK how much up	4	3	4	4	4	5	6	2	3	4	2	2	6
EXPECT SAME	27	26	26	27	23	30	25	21	23	27	23	29	30
EXPECT DOWN	13	15	12	13	11	11	13	13	19	10	12	9	12
DK,NA	*	1	*	*	2	2	2	2	*	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

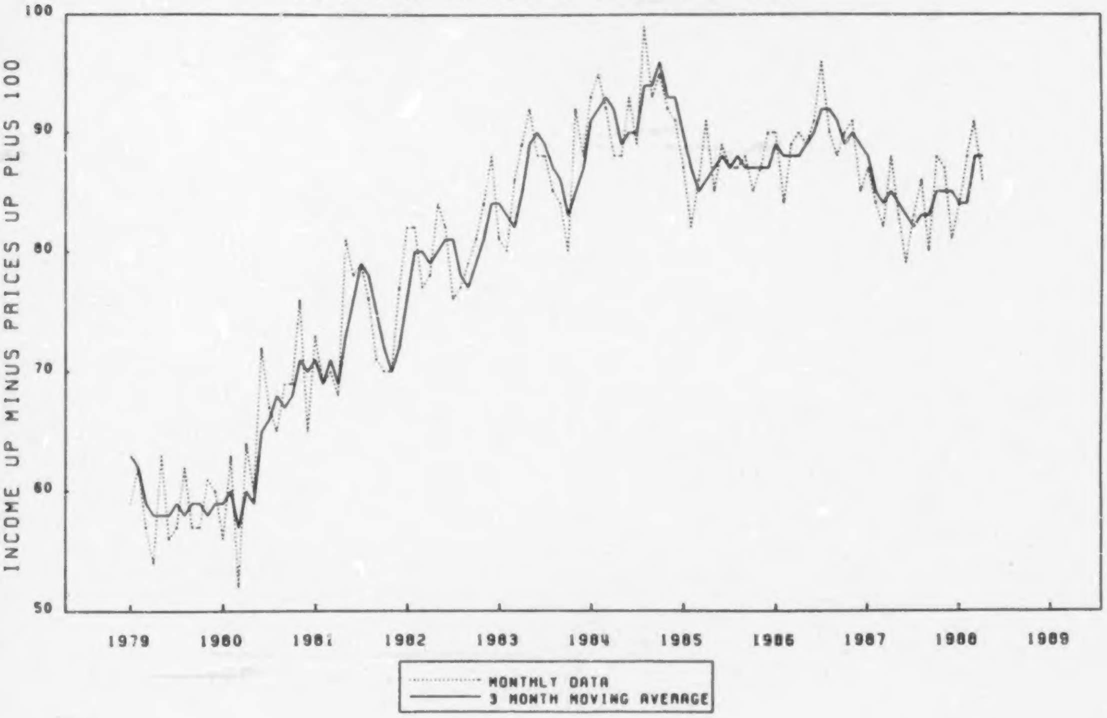


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

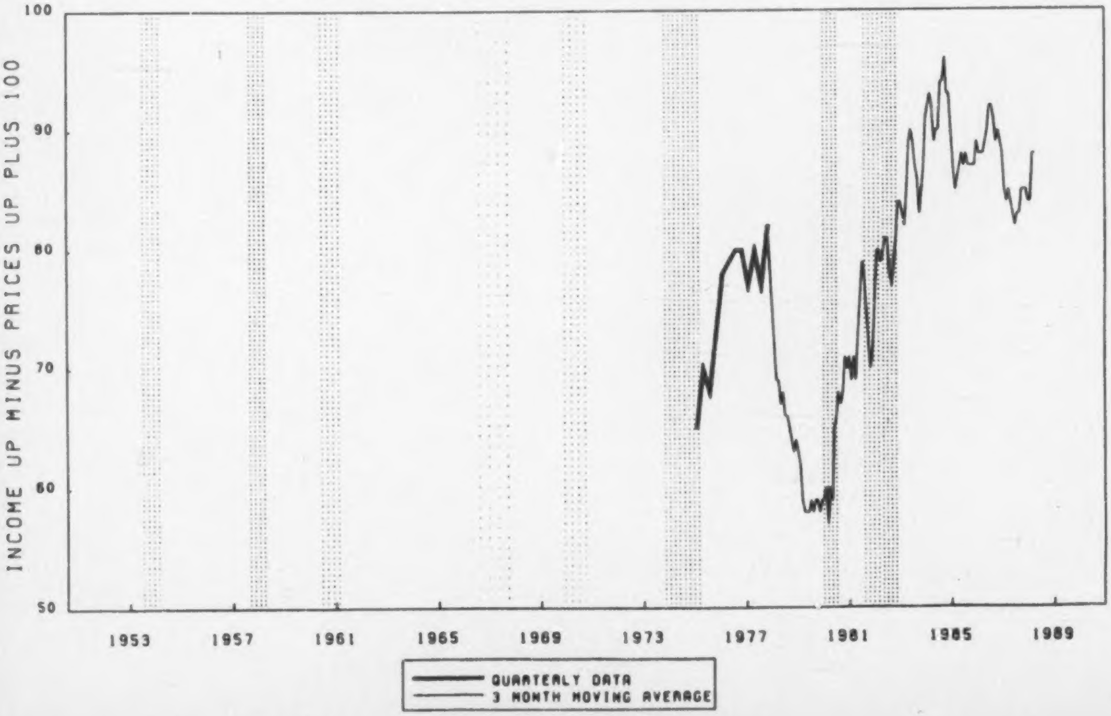


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
INCOME UP MORE	21%	17%	17%	17%	21%	18%	20%	22%	19%	19%	20%	22%	19%
INCOME UP SAME	44	48	44	47	42	42	45	43	41	44	45	44	47
PRICES UP MORE	33	34	38	34	35	38	32	35	38	35	32	31	33
DK,NA	2	1	1	2	2	2	3	*	2	2	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

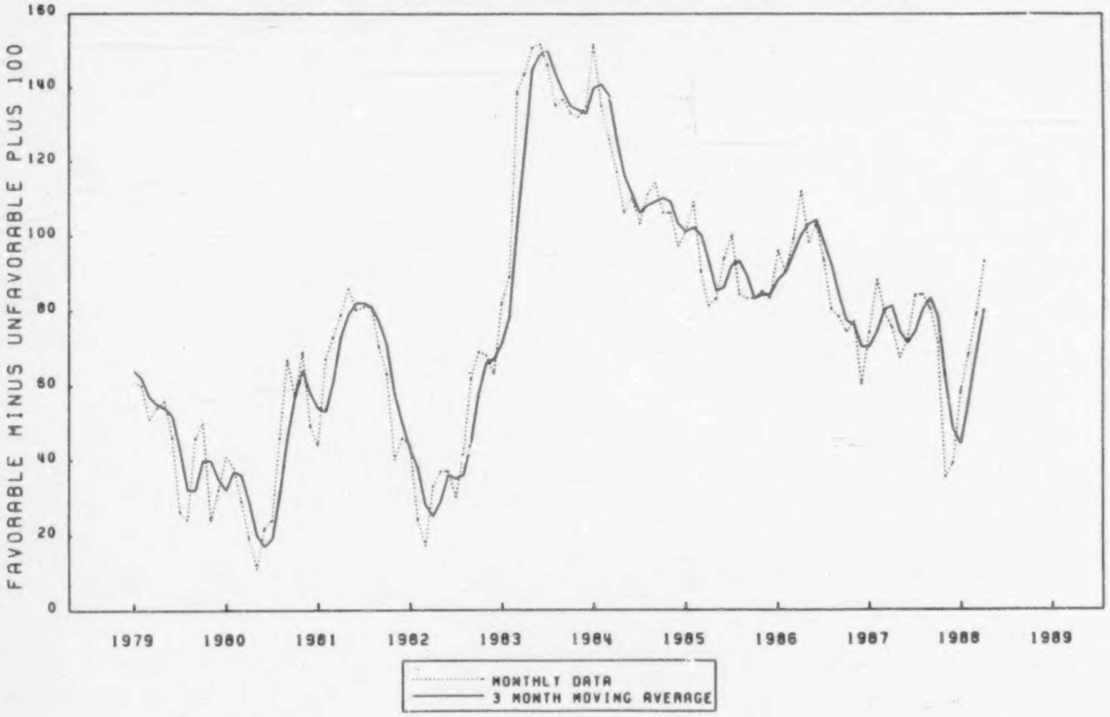


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

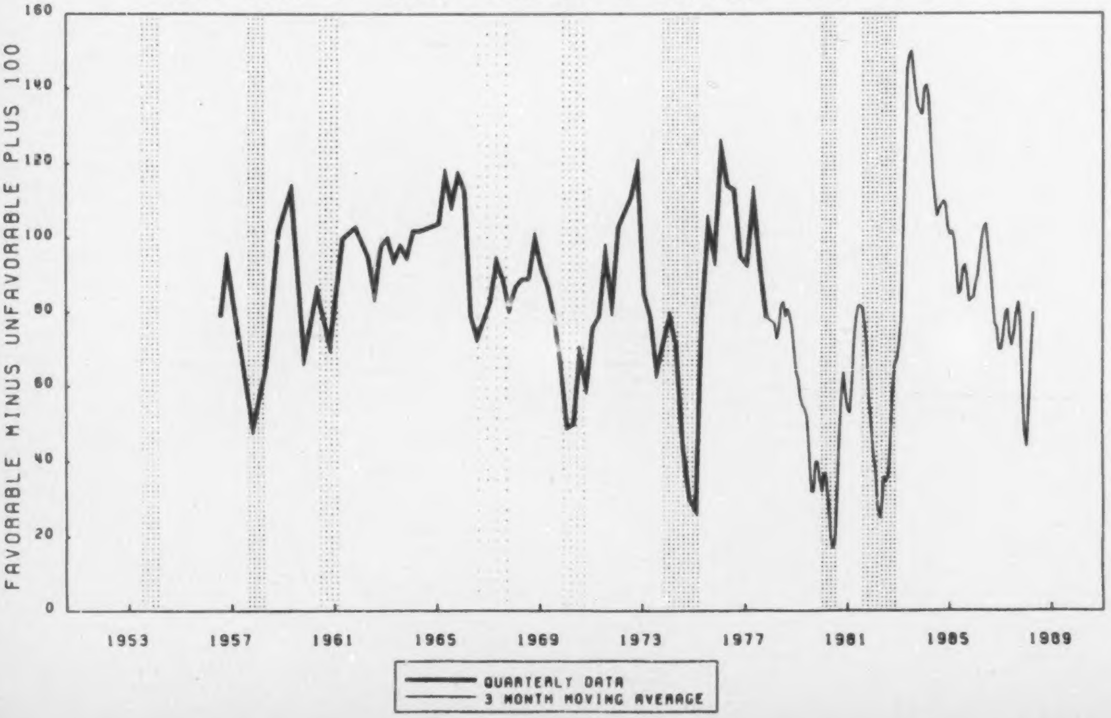


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
FAVORABLE NEWS	27%	26%	29%	29%	32%	24%	25%	18%	18%	23%	26%	29%	30%
UNFAVORABLE NEWS	52	59	57	45	48	44	54	83	79	65	58	50	37
NO MENTIONS	46	44	42	50	47	53	47	32	36	41	42	45	51

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

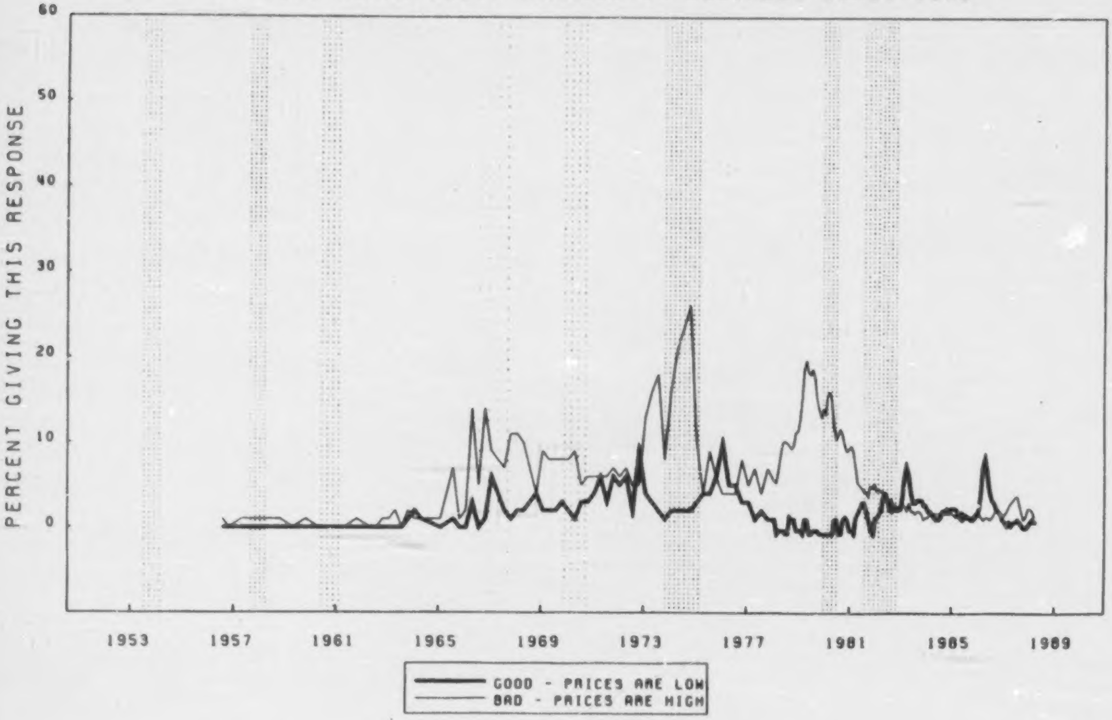


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

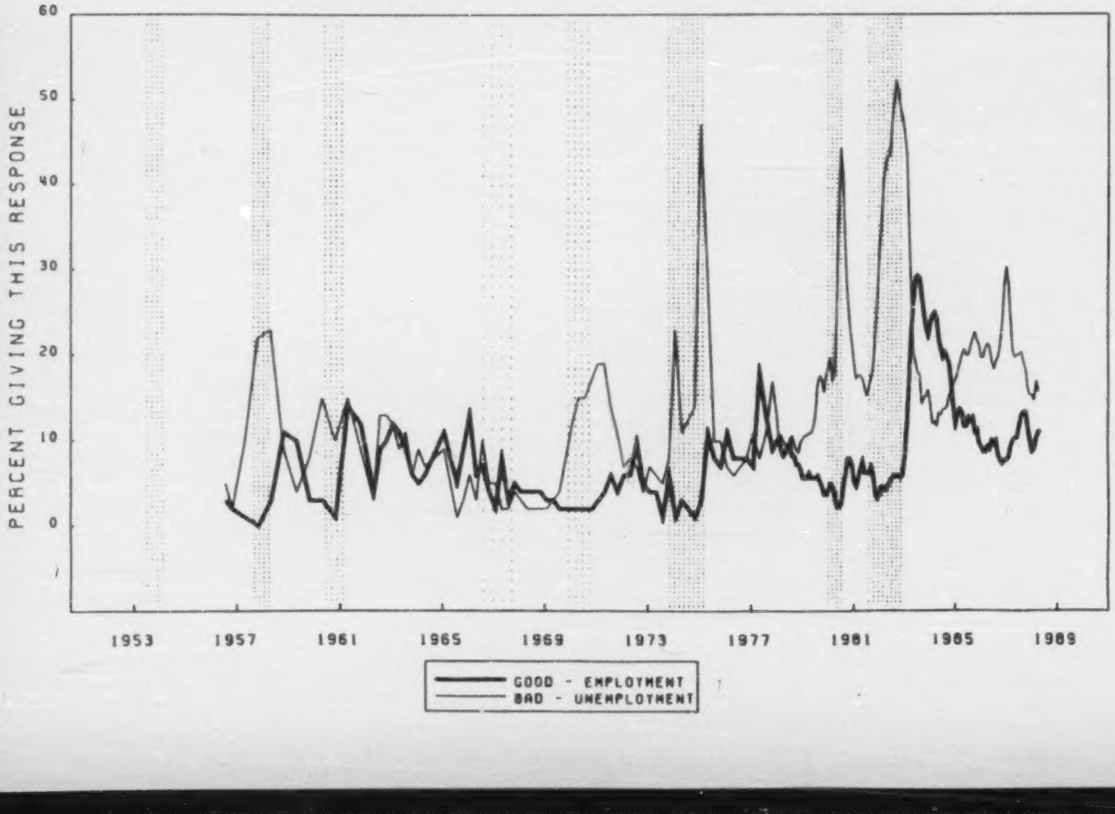


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
FAVORABLE NEWS:													
Government; elections	3%	1%	2%	2%	3%	1%	*	*	1%	1%	1%	1%	2%
Employment	9	11	11	13	15	12	13	10	7	9	11	11	11
Higher consumer demand	1	1	2	*	1	*	1	1	1	2	1	2	1
Lower prices	1	*	1	1	1	*	*	*	*	1	1	1	*
Easier credit	2	3	3	2	1	1	1	1	2	1	4	2	2
Stock market	3	1	2	2	3	2	3	2	1	*	1	2	3
Trade deficit	3	2	2	2	1	1	1	1	1	3	2	3	2
UNFAVORABLE NEWS:													
Government; elections	7	7	7	5	5	3	5	6	6	6	6	3	5
Unemployment	18	21	21	18	22	17	16	15	15	16	13	22	12
Lower consumer demand	2	2	3	3	2	1	3	5	4	4	3	1	3
Higher prices	3	3	4	4	3	1	1	1	2	4	1	1	2
Tighter credit	4	6	7	4	2	5	6	5	3	1	2	1	1
Stock market	3	1	3	2	2	2	11	38	32	21	18	10	7
Trade deficit	3	7	7	4	6	3	4	4	7	6	4	3	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

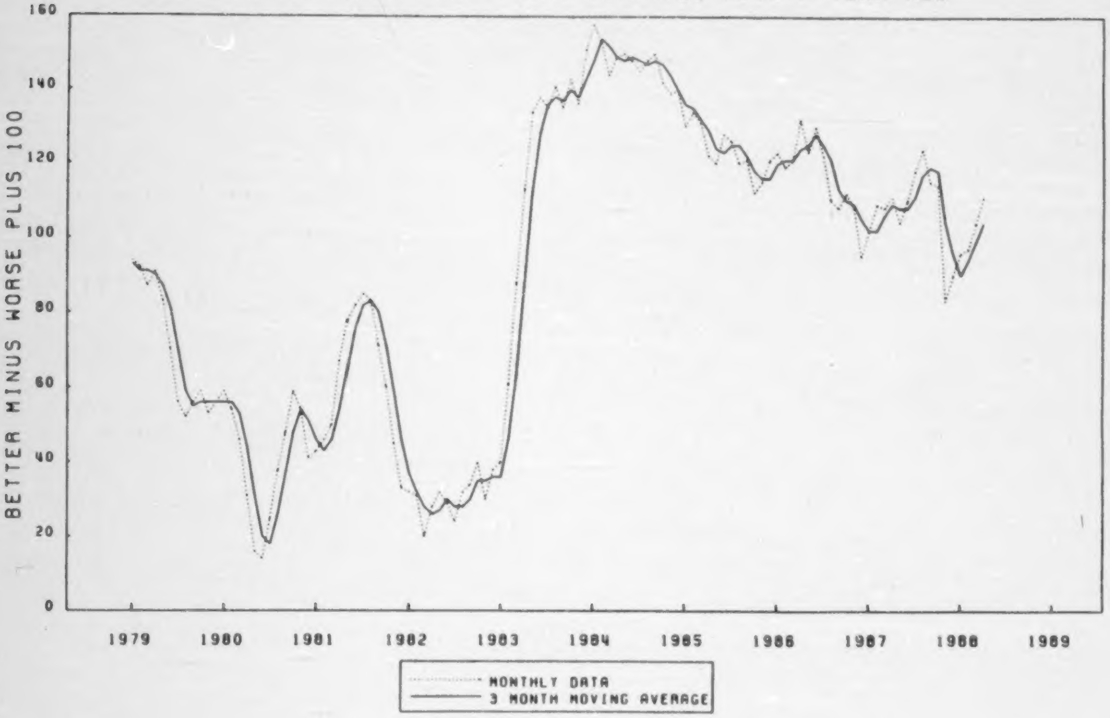


CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

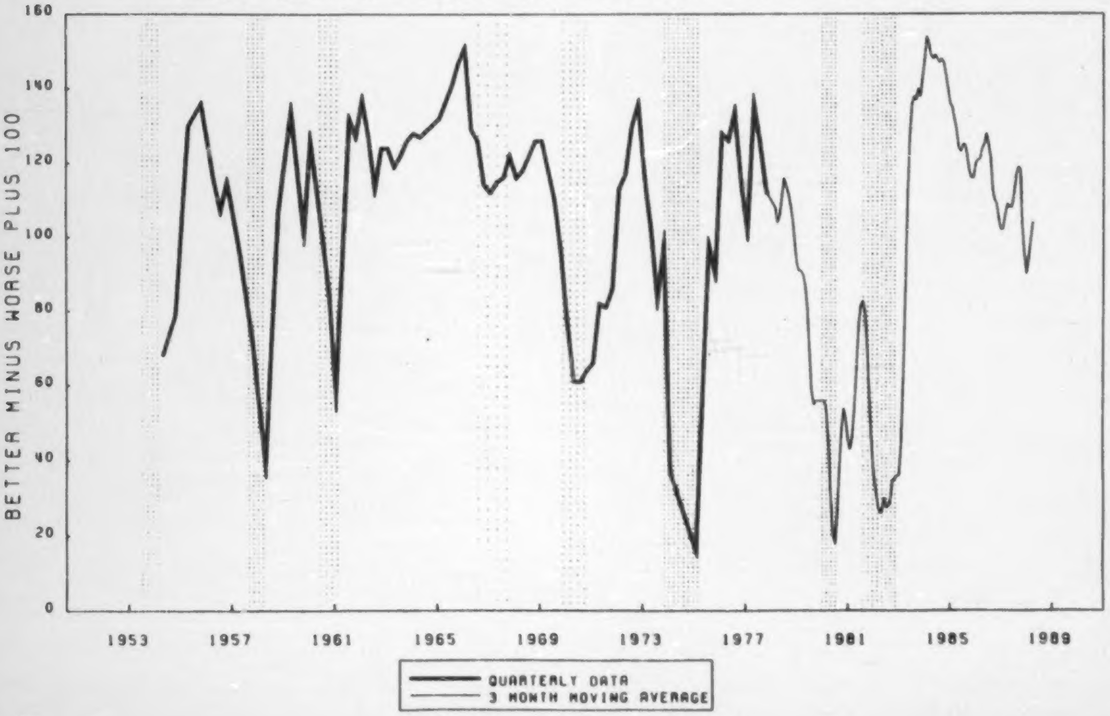


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
BETTER NOW	46%	43%	46%	50%	54%	49%	49%	33%	36%	40%	41%	40%	47%
SAME	17	16	16	16	14	14	14	16	15	14	13	21	14
WORSE NOW	35	39	36	32	30	34	35	50	46	44	44	36	36
DK,NA	2	2	2	2	2	3	2	1	3	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

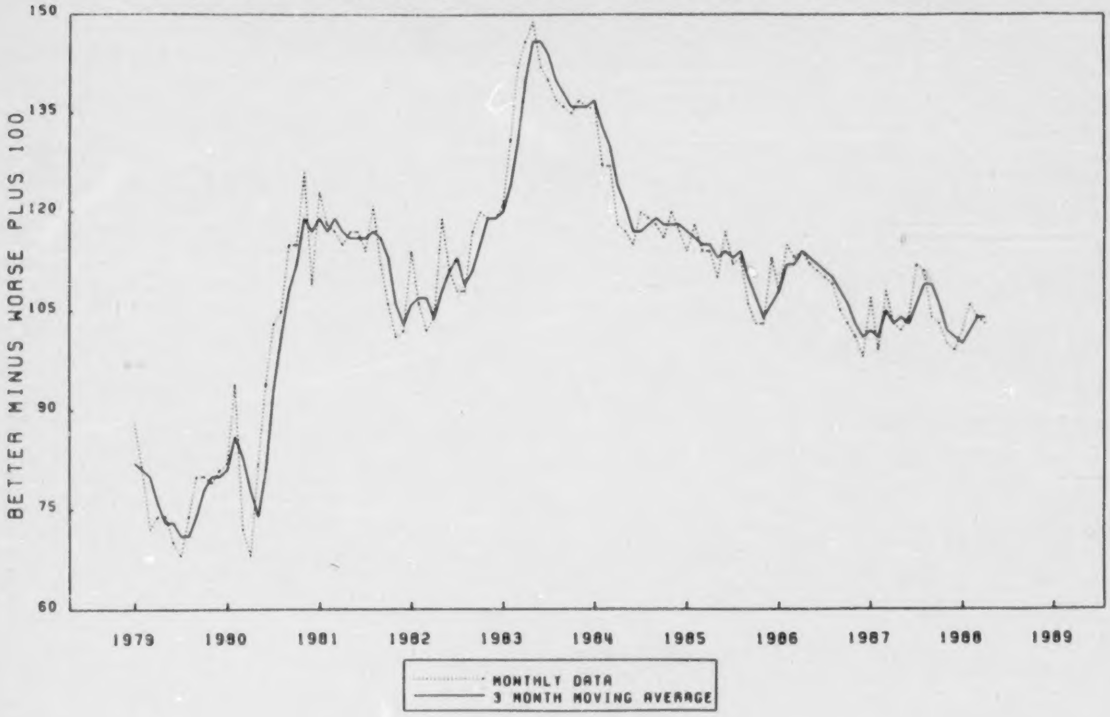


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

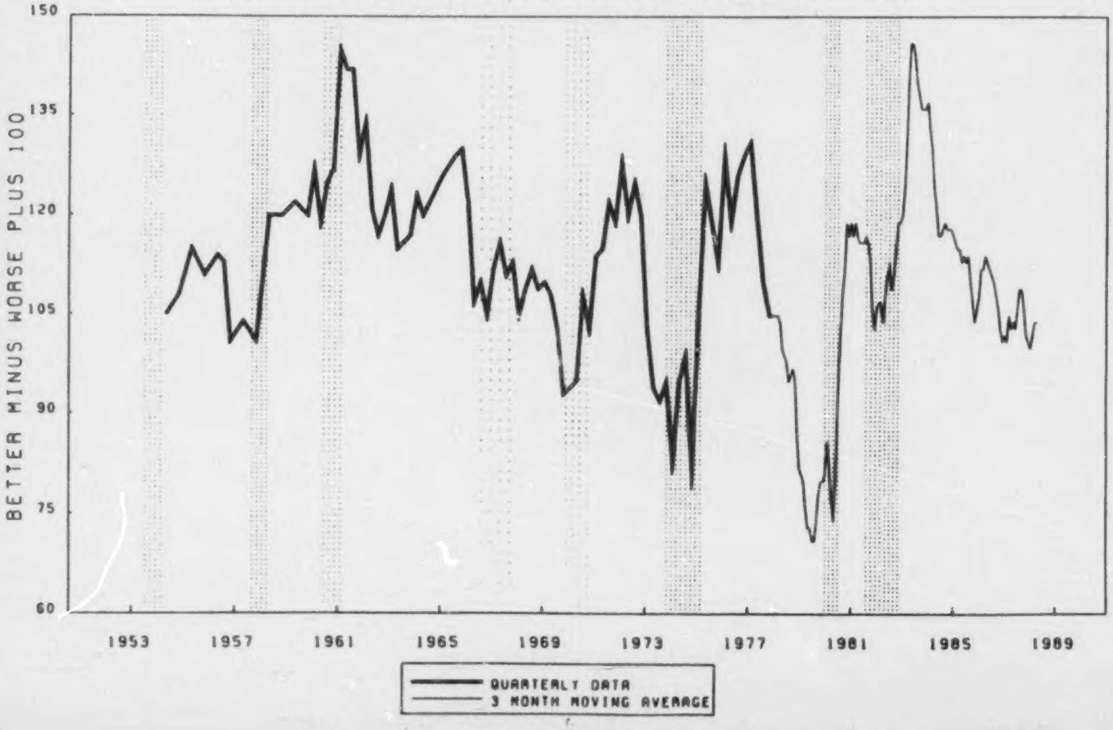


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
BETTER	21%	22%	23%	26%	25%	21%	22%	23%	22%	21%	23%	21%	21%
SAME	60	57	57	56	57	58	57	52	53	58	58	58	57
WORSE	18	20	19	14	14	17	19	23	23	19	17	17	18
DK,NA	1	1	1	4	4	4	2	2	2	2	2	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

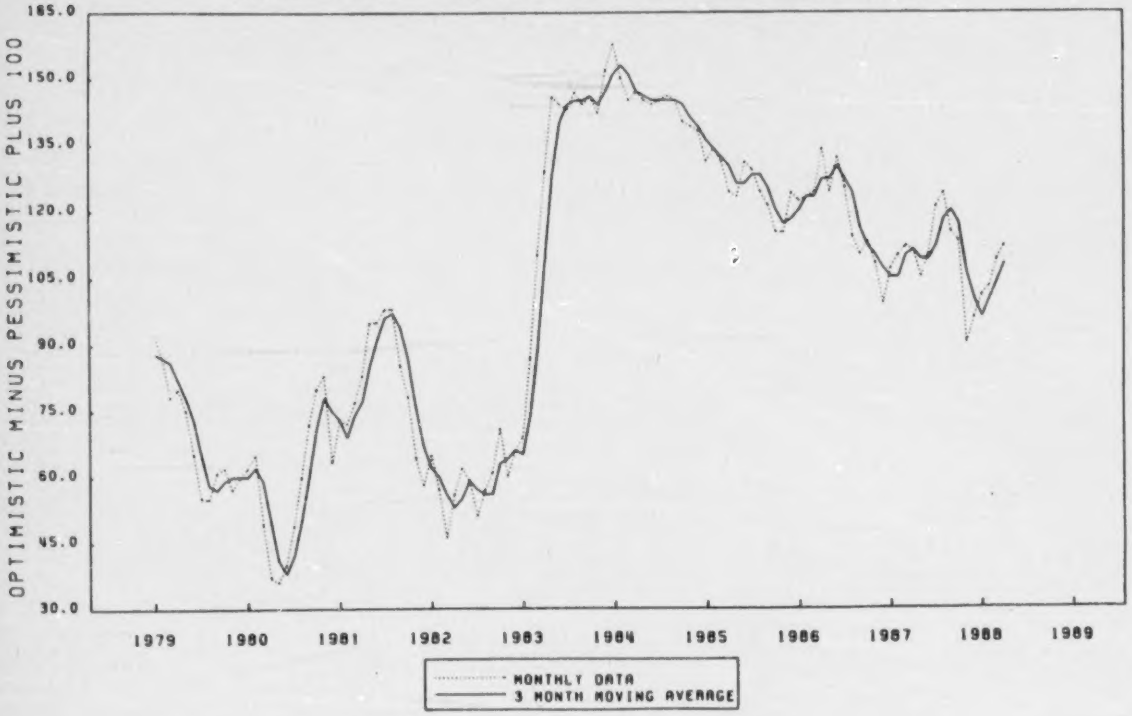


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

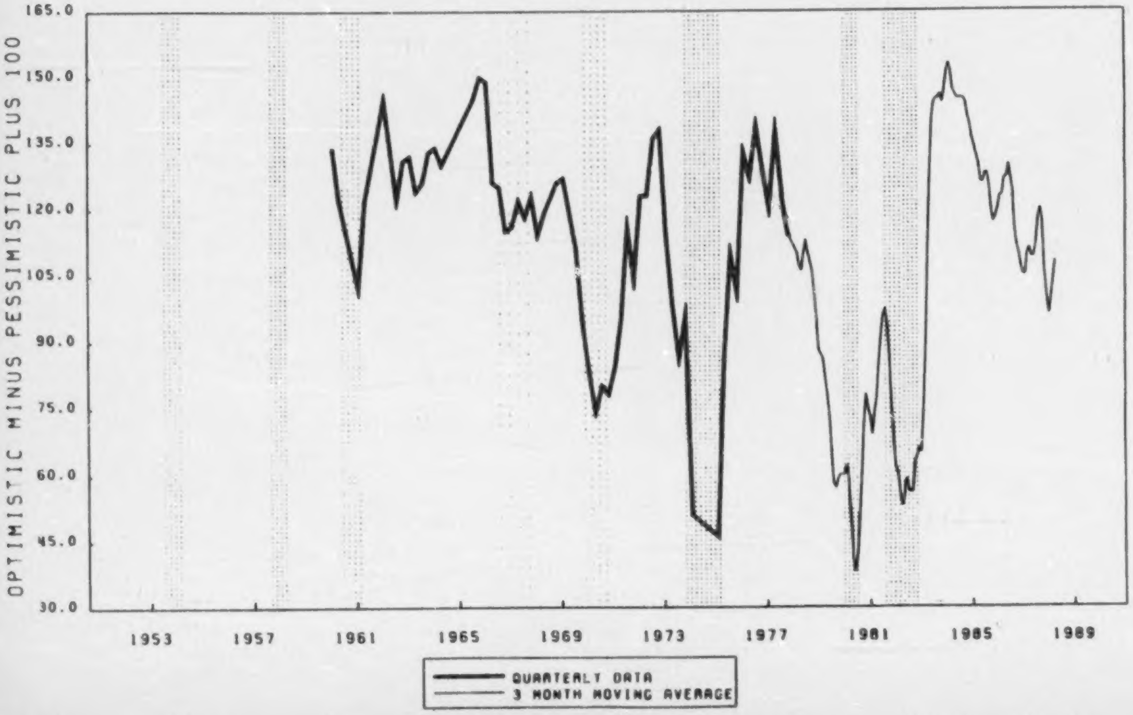


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
TREND:													
Continuous increase (a)	13%	12%	14%	17%	19%	14%	16%	10%	10%	11%	12%	10%	14%
Intermittant increase (b)	30	28	28	33	33	32	29	22	24	29	27	30	30
Remain unchanged (c)	11	10	11	9	9	9	10	10	10	8	10	12	9
Intermittant decline (d)	22	24	21	19	20	21	21	26	22	25	24	21	20
Continuous decline (e)	10	11	11	10	8	10	11	16	16	14	12	10	12
Mixed change (f)	10	12	12	7	6	9	10	14	13	10	11	11	9
DK,NA	4	3	3	5	5	5	3	2	5	3	4	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

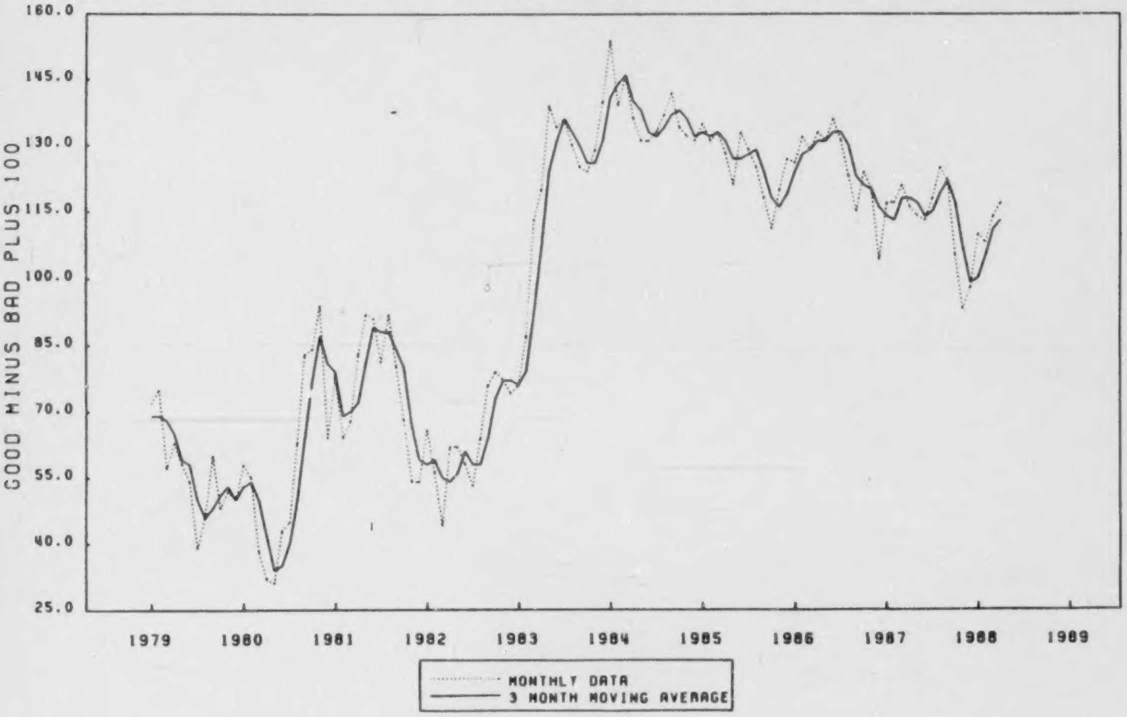


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

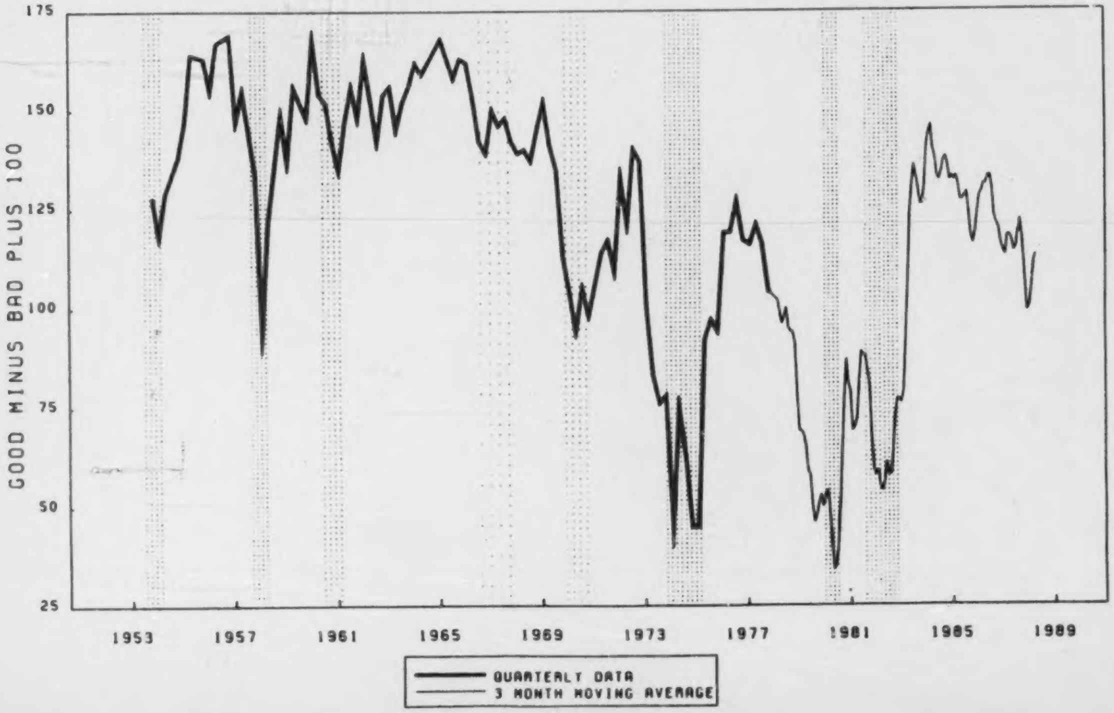


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIMES	51%	51%	50%	51%	55%	51%	43%	38%	41%	47%	45%	47%	50%
UNCERTAIN; GOOD & BAD	2	1	2	2	3	5	3	2	4	4	4	4	4
BAD TIMES	35	37	37	33	30	29	38	45	43	37	37	33	33
DON'T KNOW	8	5	5	7	7	7	7	8	6	7	7	7	9
NOT ASCERTAINED	4	6	6	7	5	8	9	7	6	5	7	9	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

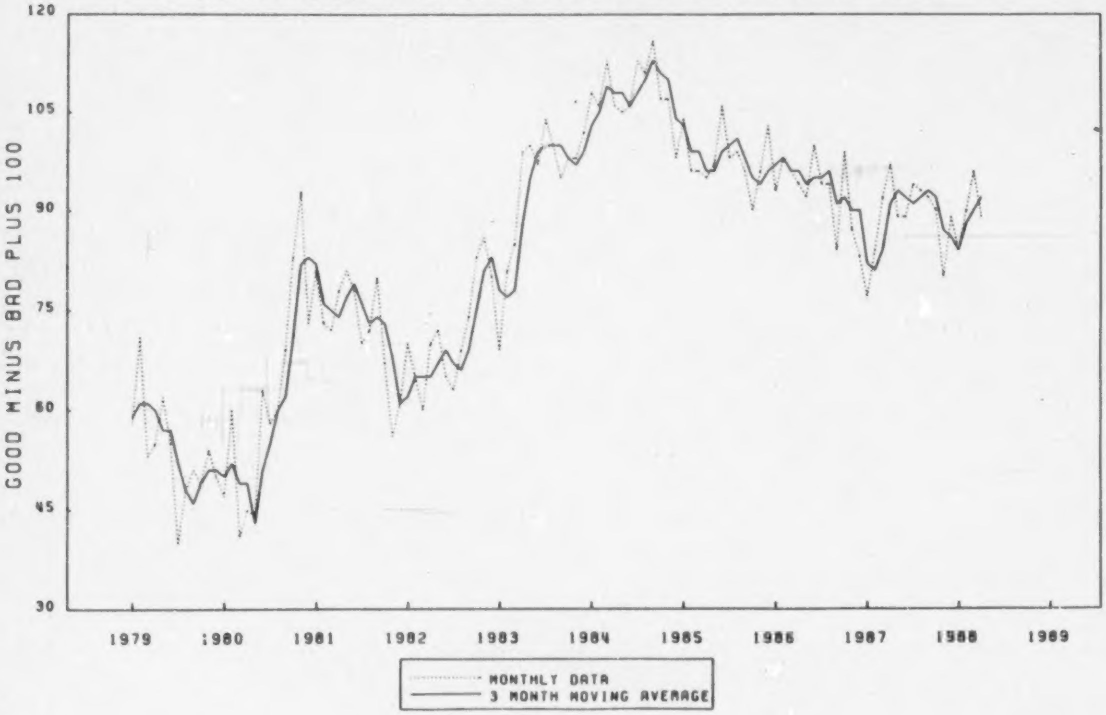


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

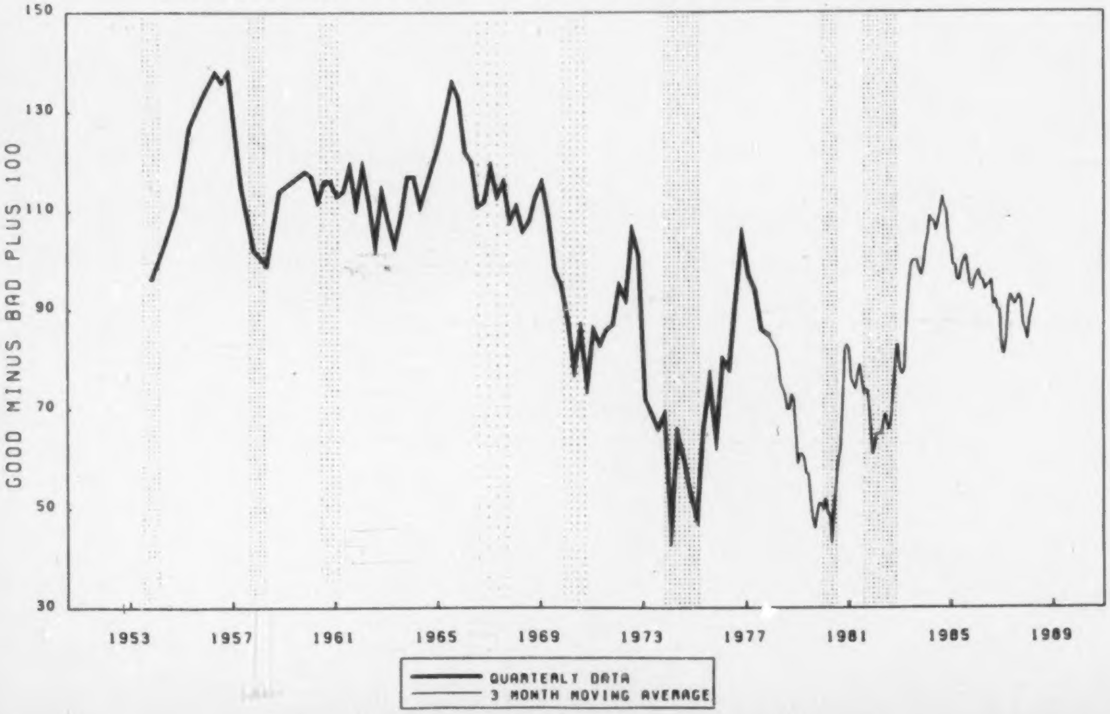


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIMES	41%	36%	37%	36%	36%	37%	36%	31%	33%	34%	35%	39%	36%
UNCERTAIN; GOOD & BAD	9	13	9	15	16	13	12	13	16	12	15	14	15
BAD TIMES	44	47	48	42	43	45	46	51	44	50	45	43	47
NOT ASCERTAINED	6	4	6	7	5	5	6	5	7	4	5	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

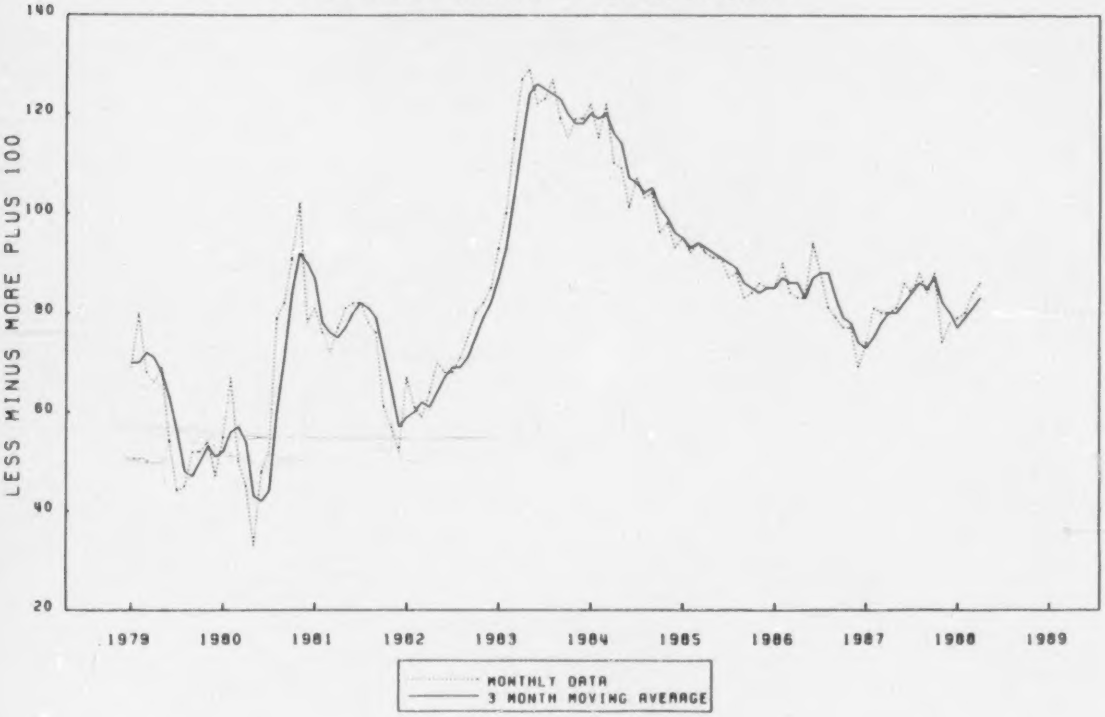


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

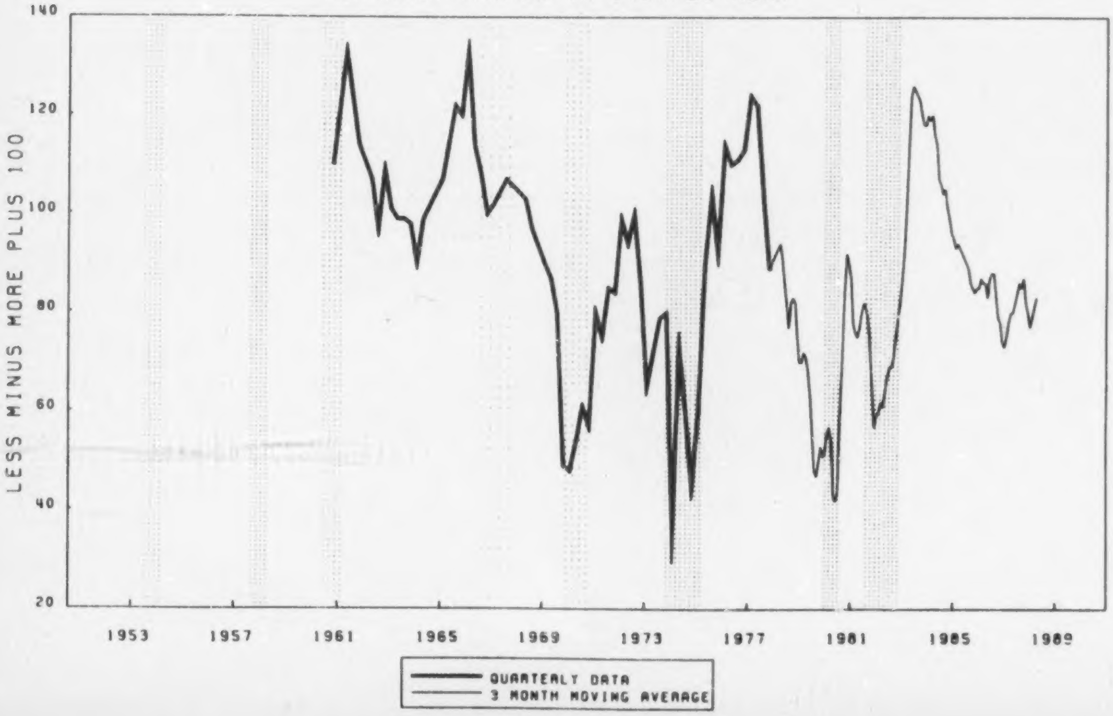


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
LESS	13%	13%	16%	14%	15%	13%	17%	10%	12%	12%	12%	12%	14%
SAME	52	53	52	55	56	57	52	53	51	54	53	58	56
MORE	33	32	30	30	27	29	29	36	34	33	33	28	28
DK,NA	2	2	2	1	2	1	2	1	3	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

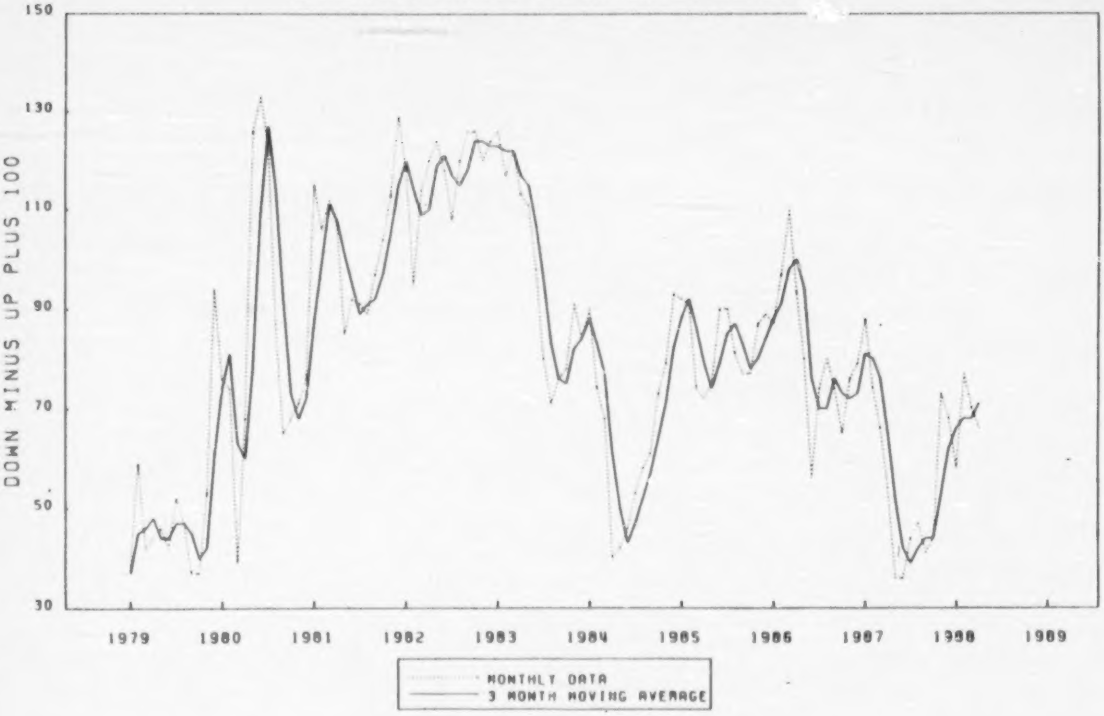


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

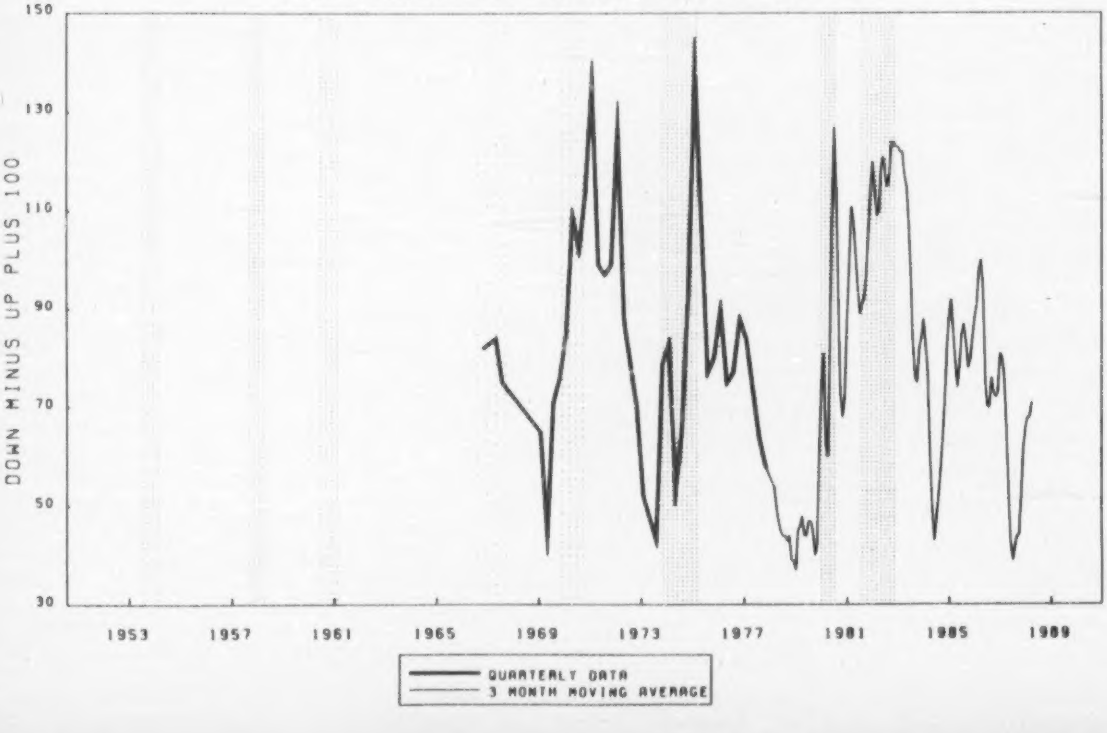


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GO UP	57%	71%	69%	64%	62%	66%	67%	49%	52%	54%	44%	49%	48%
STAY THE SAME	29	21	24	26	27	24	20	26	26	32	32	29	35
GO DOWN	11	7	5	8	9	7	11	22	20	12	21	19	14
DK,NA	3	1	2	2	2	3	2	3	2	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

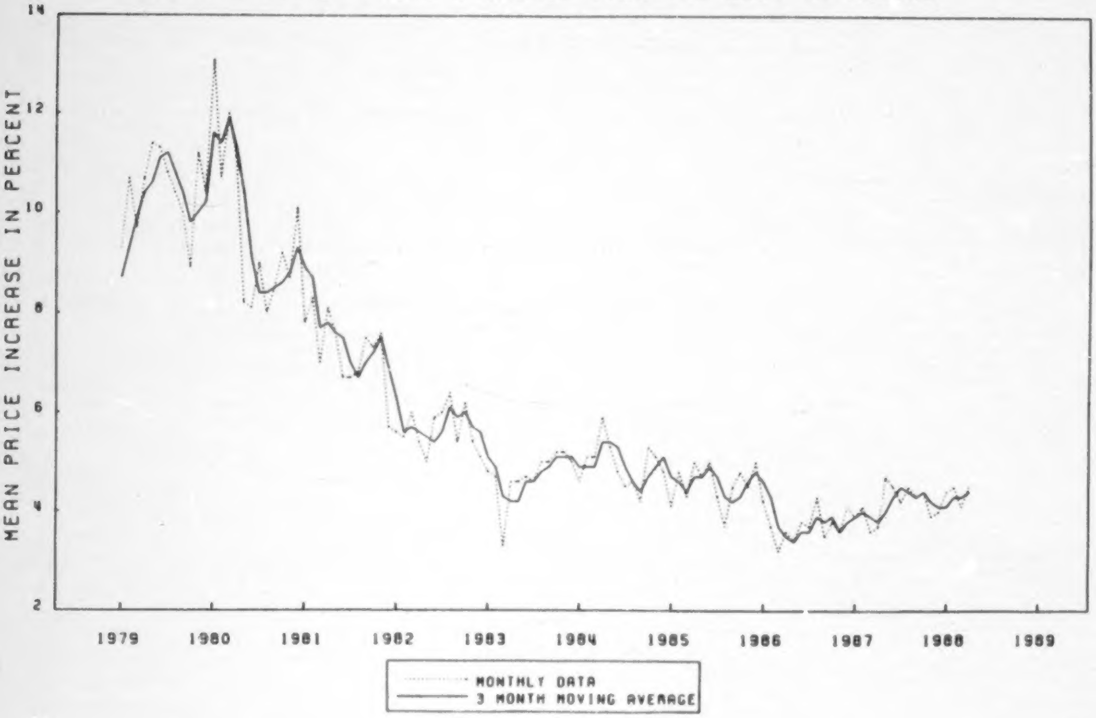


CHART 19 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

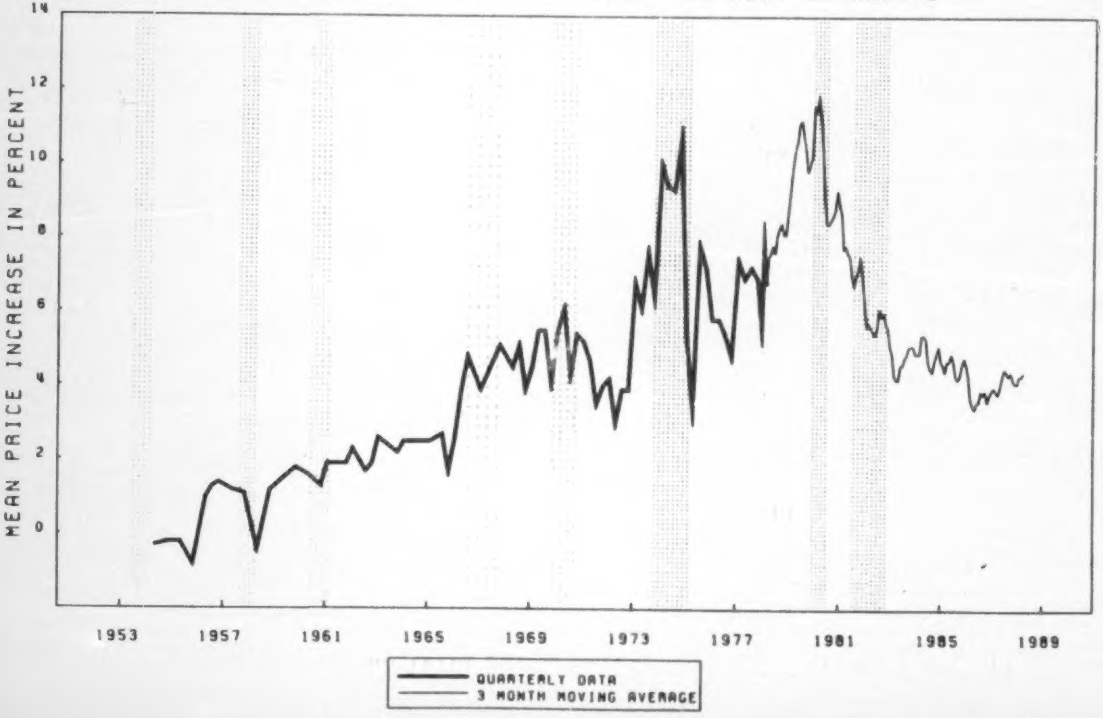


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
SAME OR DOWN	19%	15%	14%	17%	13%	17%	15%	20%	21%	23%	17%	18%	14%
WILL GO UP BY:													
1-2%	19	18	18	20	20	20	18	16	19	16	21	19	19
3-4%	23	23	25	23	25	24	23	22	21	21	23	24	25
5%	16	18	17	16	17	16	20	20	15	17	16	19	18
6-9%	8	10	7	7	8	6	7	8	8	6	6	6	7
10-14%	7	7	8	9	6	7	8	5	8	7	7	6	7
15% or more	2	4	4	3	4	3	3	4	3	6	5	3	4
DK how much up	6	4	6	4	6	5	5	4	4	3	4	5	5
DK,NA	*	1	1	1	1	2	1	1	1	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.7	4.7	4.5	4.2	4.5	4.3	4.4	3.9	4.0	4.4	4.5	4.1	4.5
VARIANCE	21	36	27	28	32	41	28	25	26	35	40	26	31
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

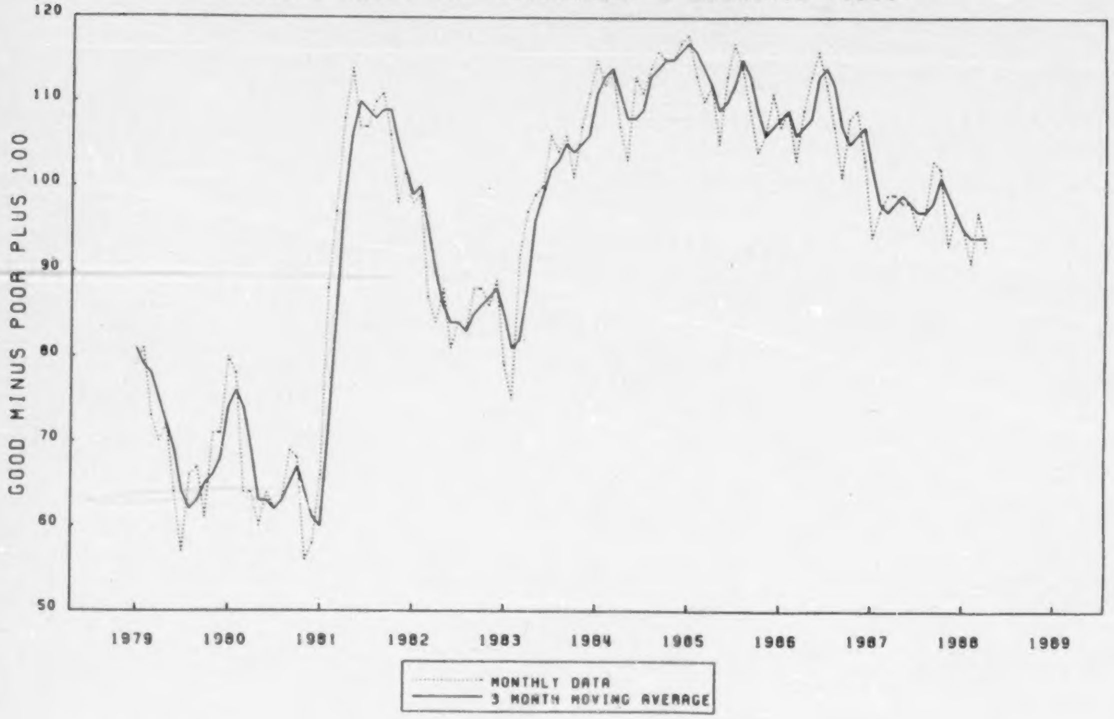


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

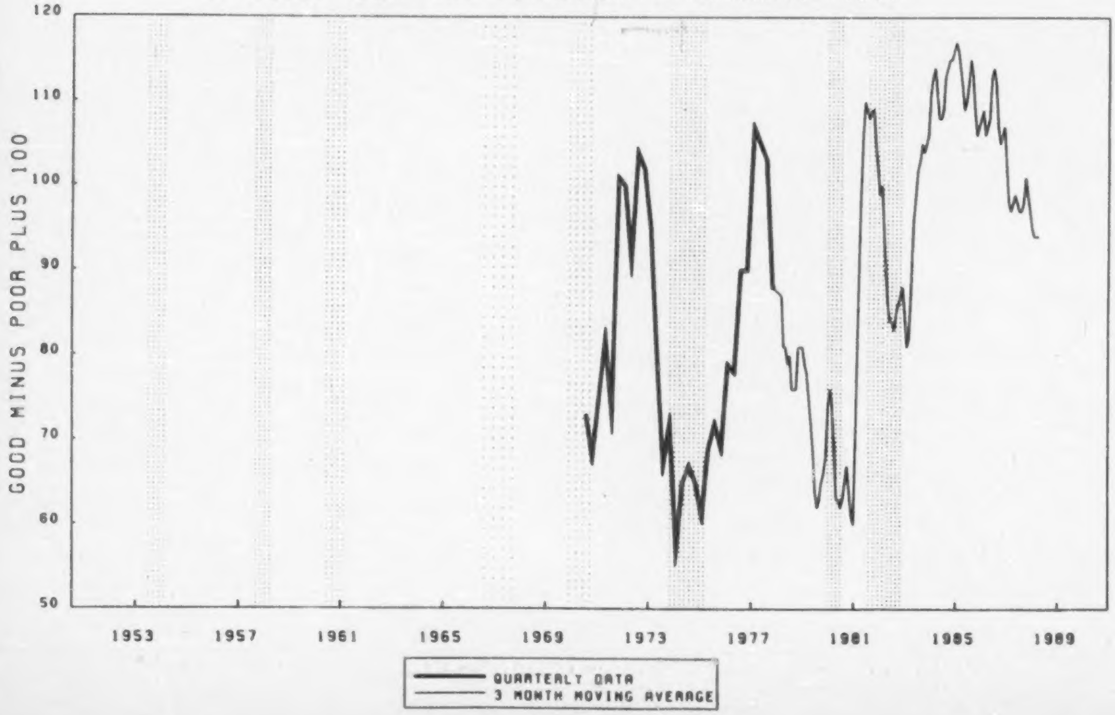


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
A GOOD JOB	21%	21%	23%	21%	23%	23%	25%	18%	19%	17%	18%	23%	18%
ONLY FAIR	55	55	49	52	48	54	48	54	56	60	53	49	56
A POOR JOB	22	23	25	26	26	20	23	25	22	22	27	26	25
DK,NA	2	1	3	1	3	3	4	3	3	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

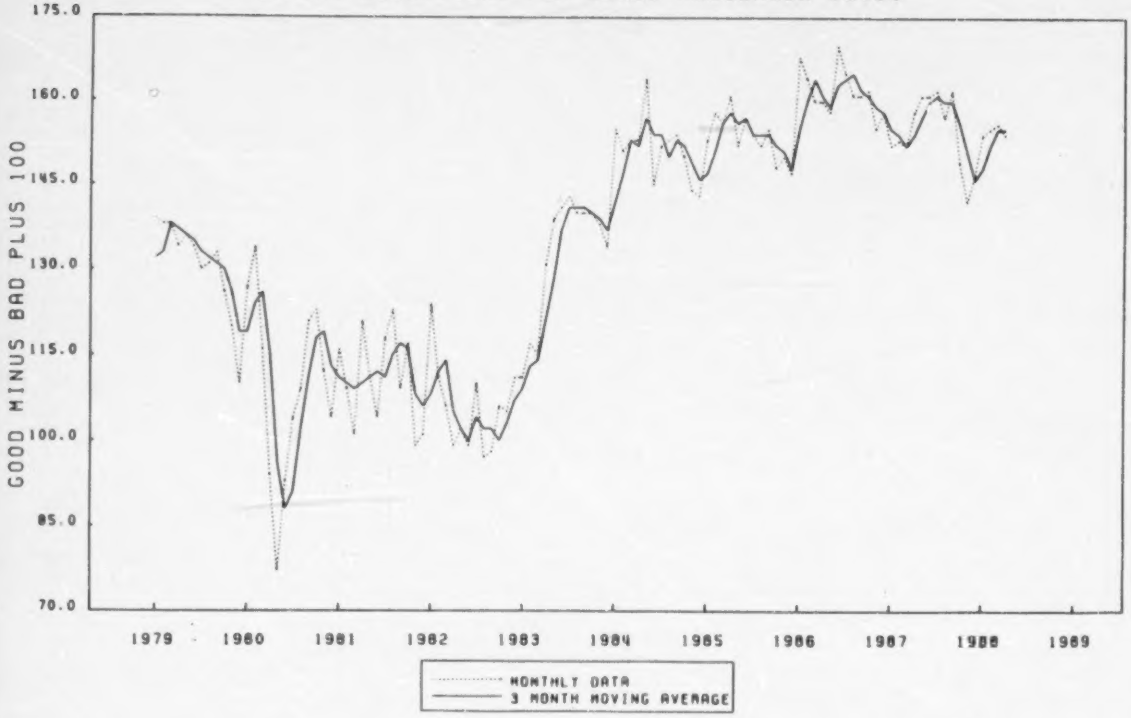


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

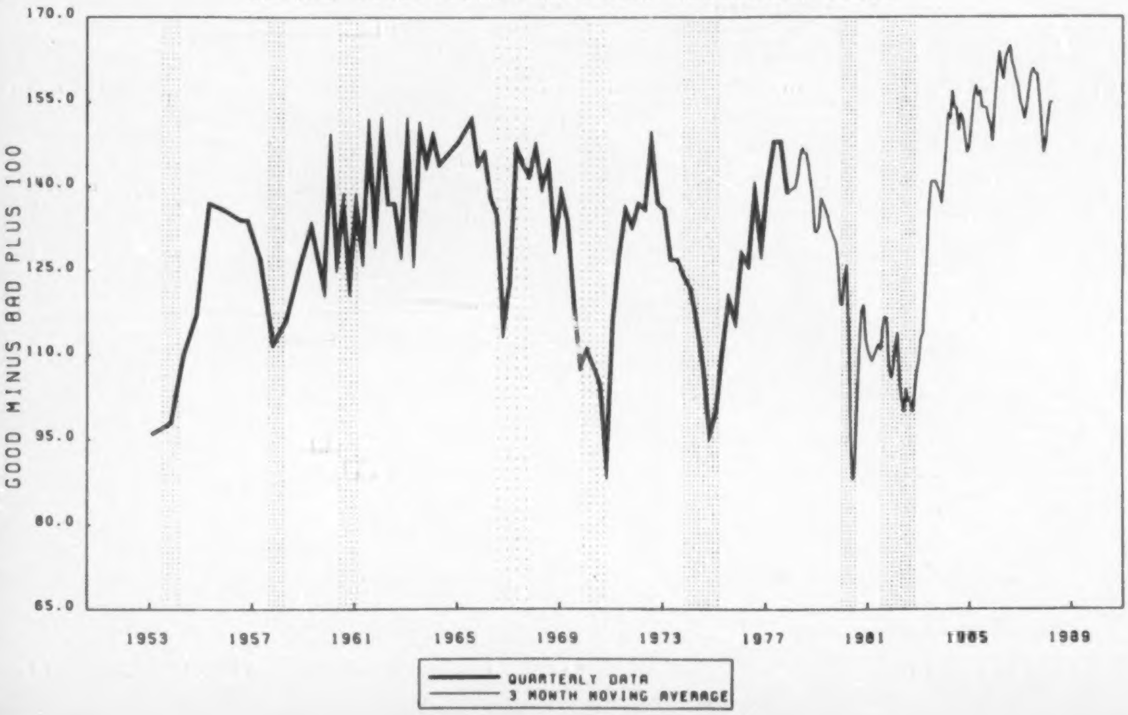


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIME TO BUY	74%	76%	76%	76%	74%	75%	69%	66%	69%	72%	72%	71%	73%
UNCERTAIN, DEPENDS	10	9	9	10	9	12	11	10	9	10	11	14	8
BAD TIME TO BUY	16	15	15	14	17	13	20	24	22	18	17	15	19
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

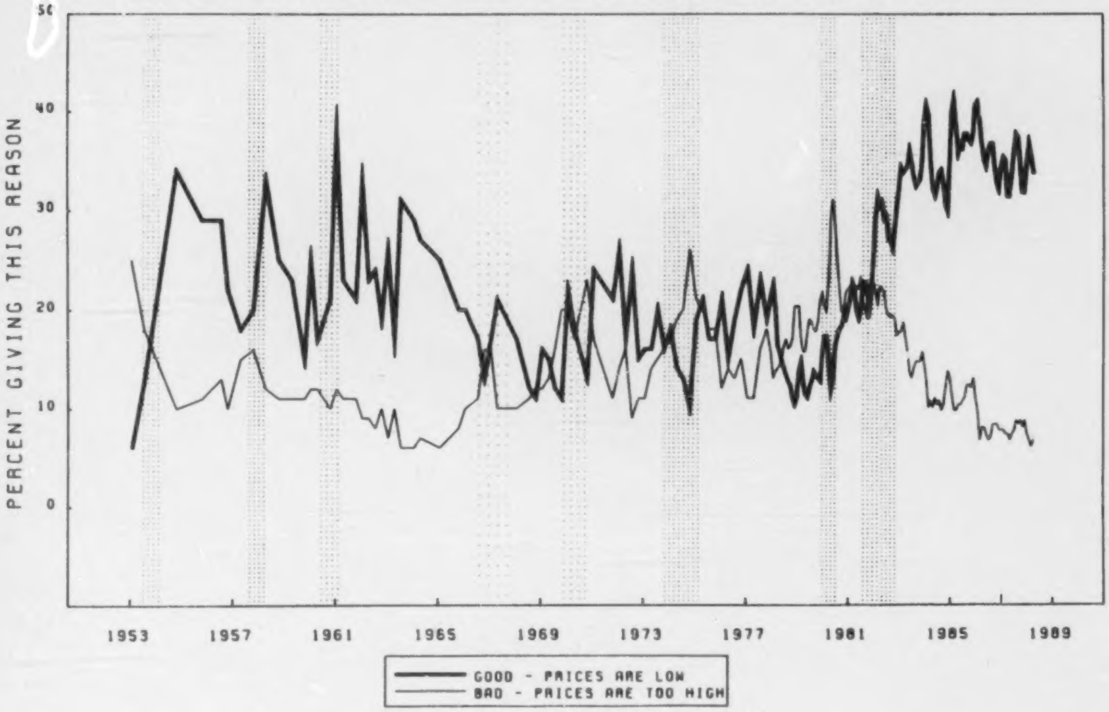


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

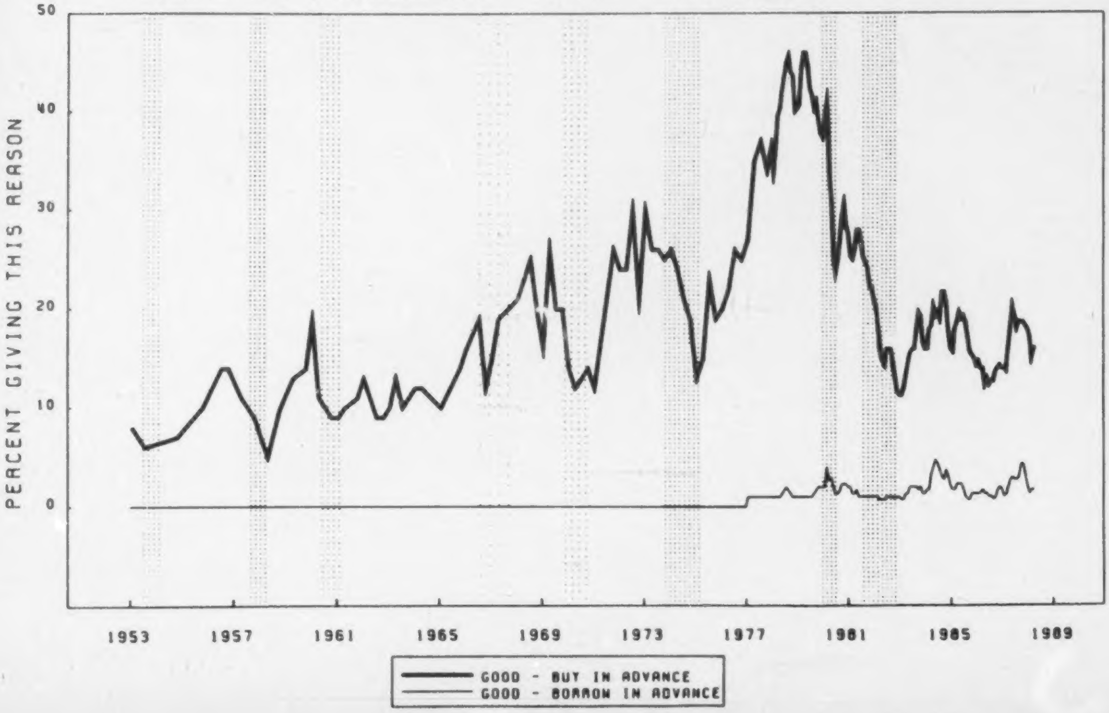


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	29%	33%	38%	37%	38%	37%	28%	30%	37%	37%	36%	33%	32%
Prices won't come down; are going higher	20	20	21	17	16	23	17	16	22	16	14	15	19
Interest rates low	18	16	12	11	15	11	9	11	8	6	8	10	9
Borrow-in-advance rates	3	3	3	2	3	4	6	3	1	2	1	2	2
Times are good; prosperity	7	6	5	6	6	6	7	4	4	6	7	8	10
BAD TIME TO BUY:													
Prices are high	7	6	9	8	9	8	9	7	10	5	5	8	7
Interest rates are high; credit is tight	3	3	3	3	4	4	4	8	6	4	5	4	4
Times are bad; can't afford to buy	4	3	4	3	5	2	6	4	4	8	6	5	6
Bad times ahead; uncertain future	1	2	2	2	1	1	4	10	5	4	4	2	4

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

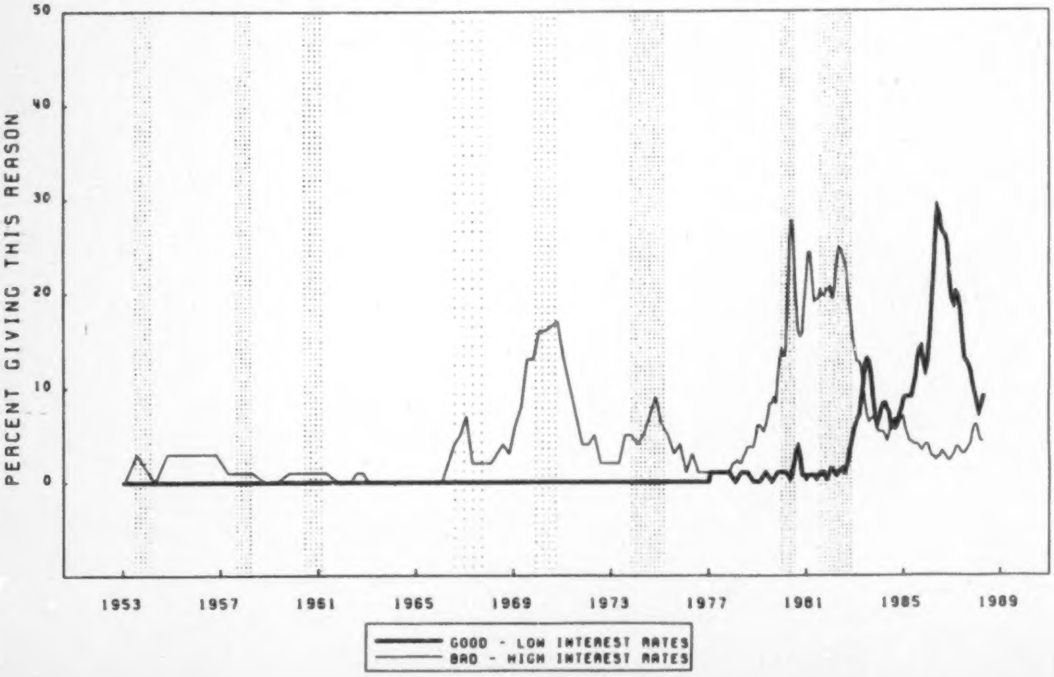


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

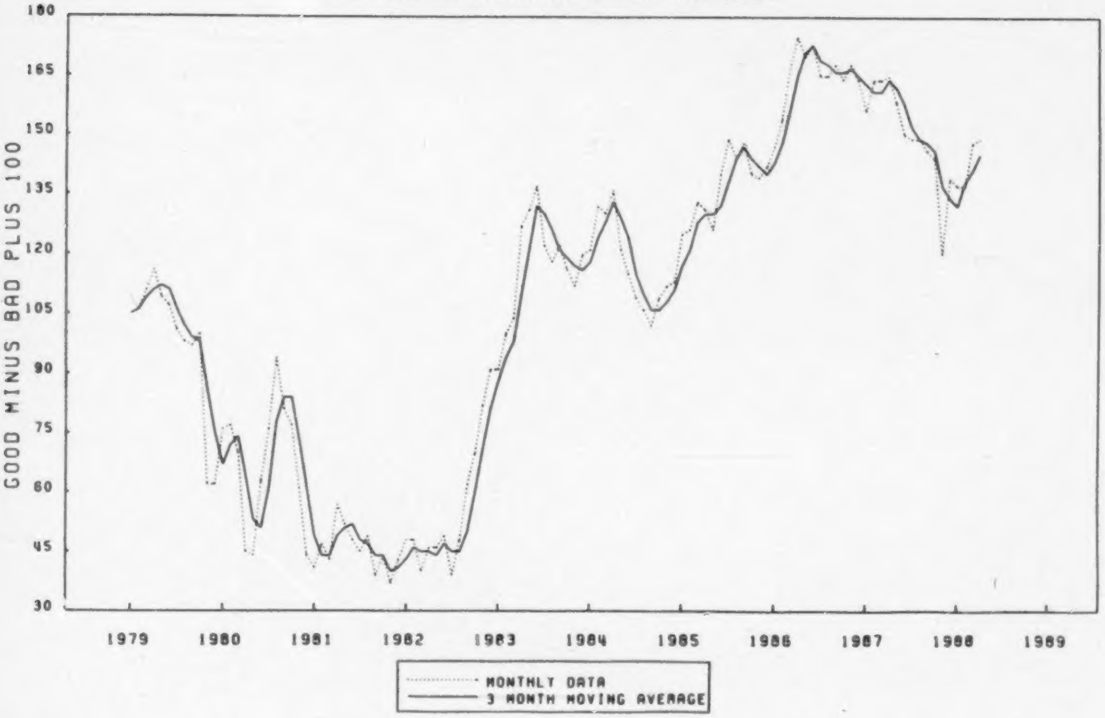


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

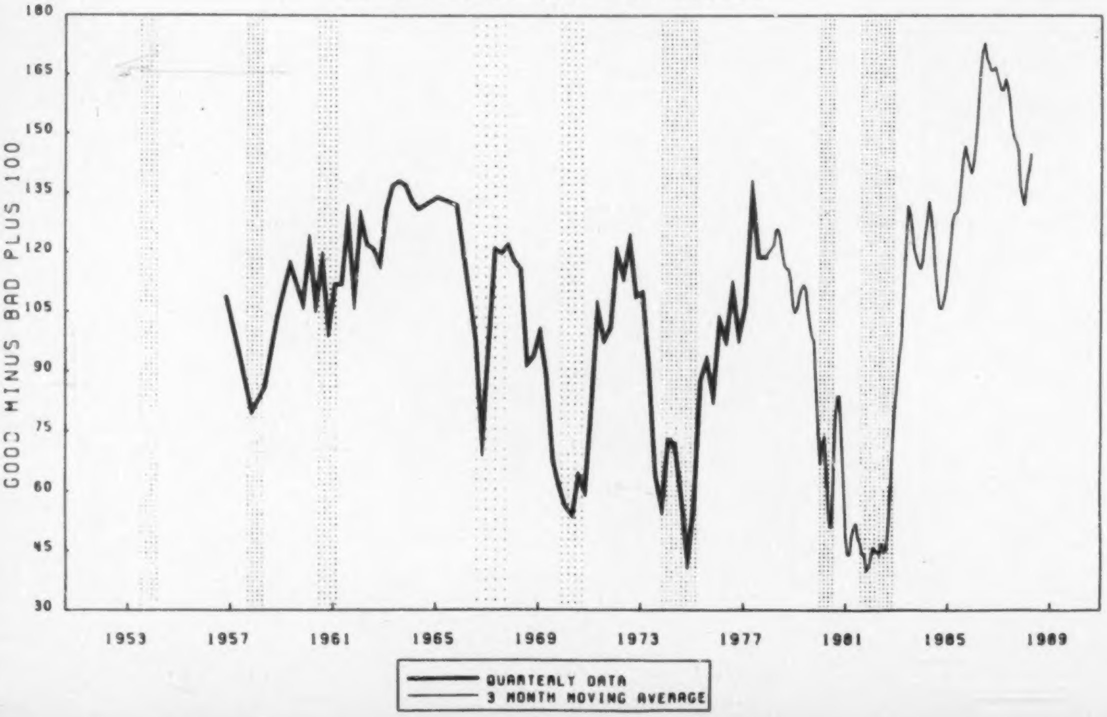


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIME TO BUY	82%	77%	73%	72%	73%	71%	70%	58%	68%	67%	67%	71%	72%
UNCERTAIN, DEPENDS	1	4	4	5	3	4	4	4	3	3	3	6	5
BAD TIME TO BUY	17	19	23	23	24	25	26	38	29	30	30	23	23
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

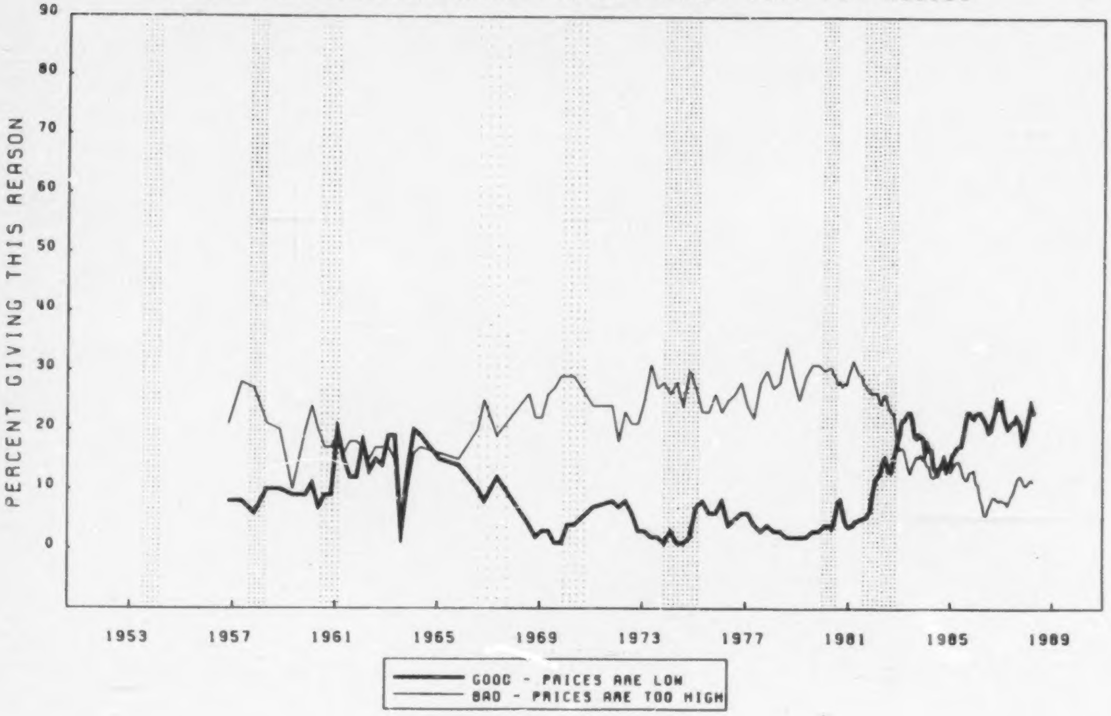


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

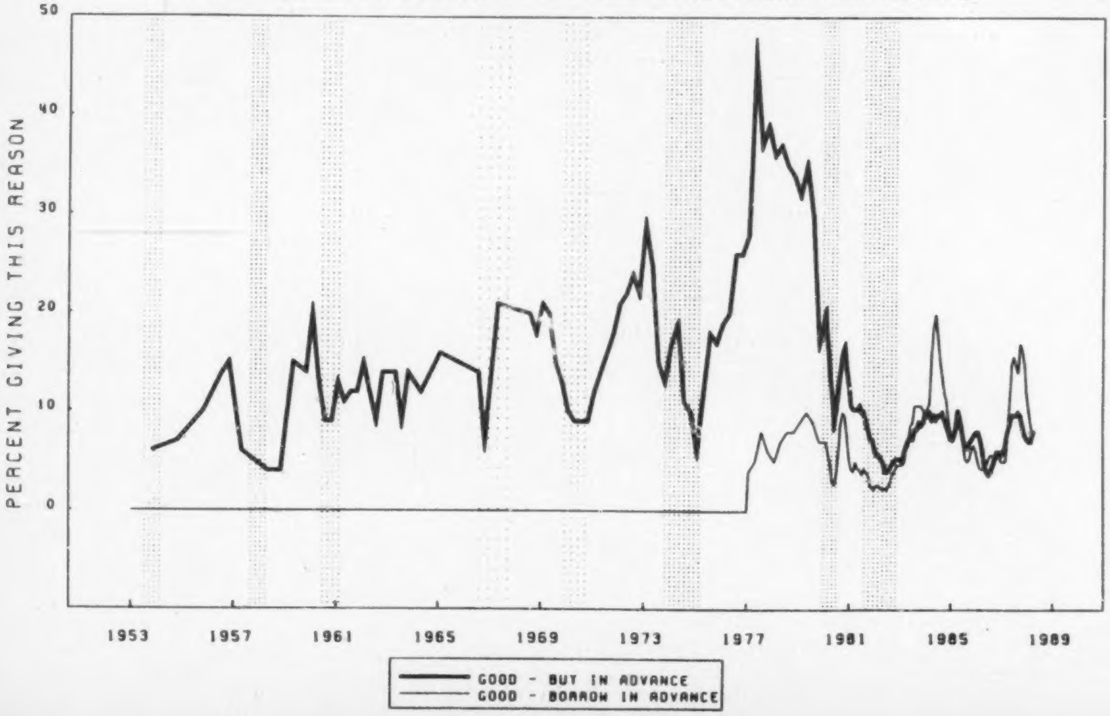


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	22%	21%	21%	25%	19%	19%	16%	21%	24%	22%	27%	20%
Prices won't come down; are going higher	9	9	11	9	9	12	8	6	9	7	5	9	10
Interest rates low	60	50	45	46	44	37	33	32	40	35	44	47	40
Borrow-in-advance rates	11	16	18	13	13	16	22	11	12	13	6	7	10
Good investment	7	5	5	6	7	7	6	7	9	7	4	6	7
Times are good; prosperity	2	4	2	4	2	5	3	3	3	3	4	4	4
BAD TIME TO BUY:													
Prices are high	8	9	10	10	13	13	11	11	10	11	13	11	10
Interest rates are high; credit is tight	4	9	12	12	10	13	18	19	13	13	15	9	10
Times are bad; can't afford to buy	5	5	5	4	5	5	7	5	7	10	7	8	8
Bad times ahead; uncertain future	3	2	3	1	3	3	4	13	7	5	4	3	4

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

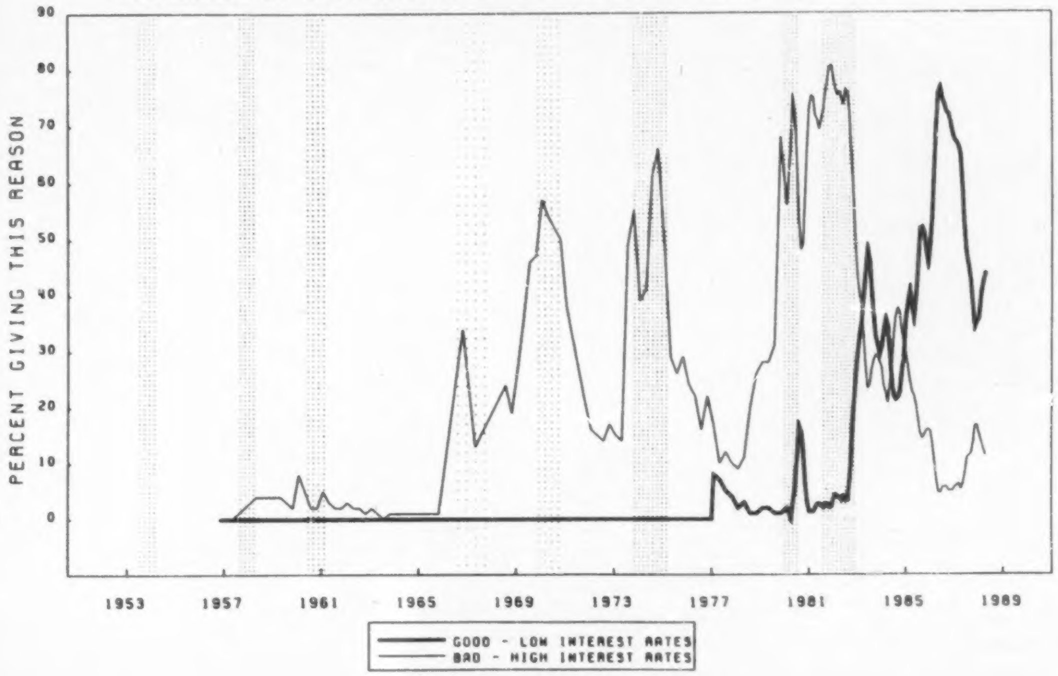


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

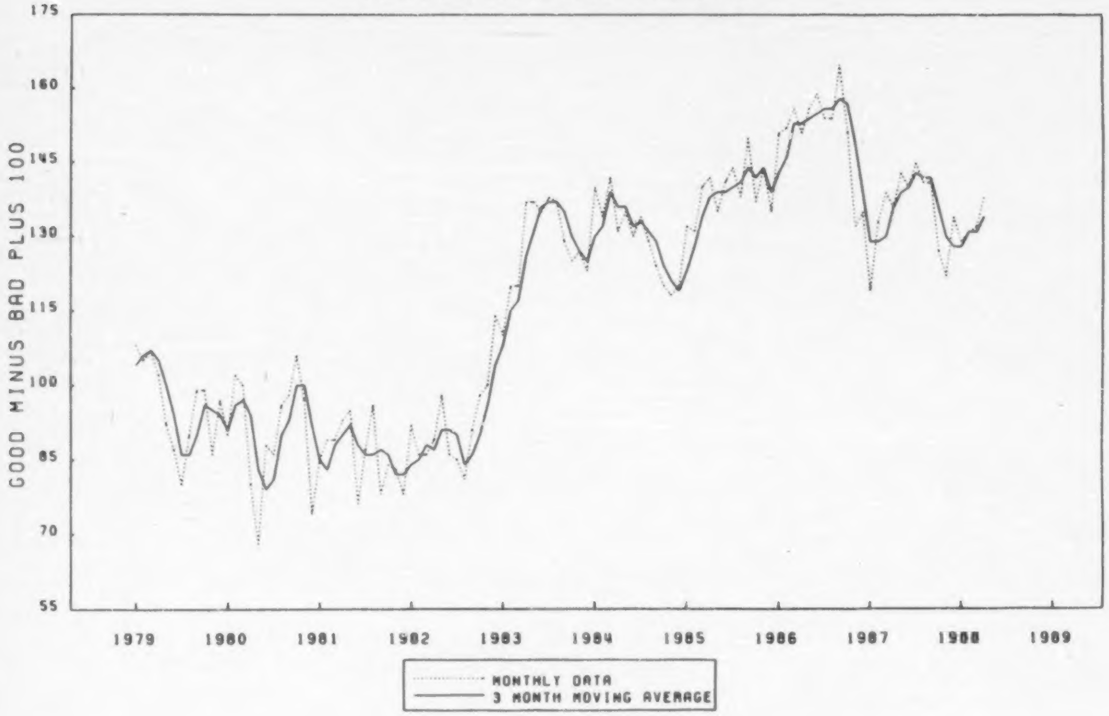


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

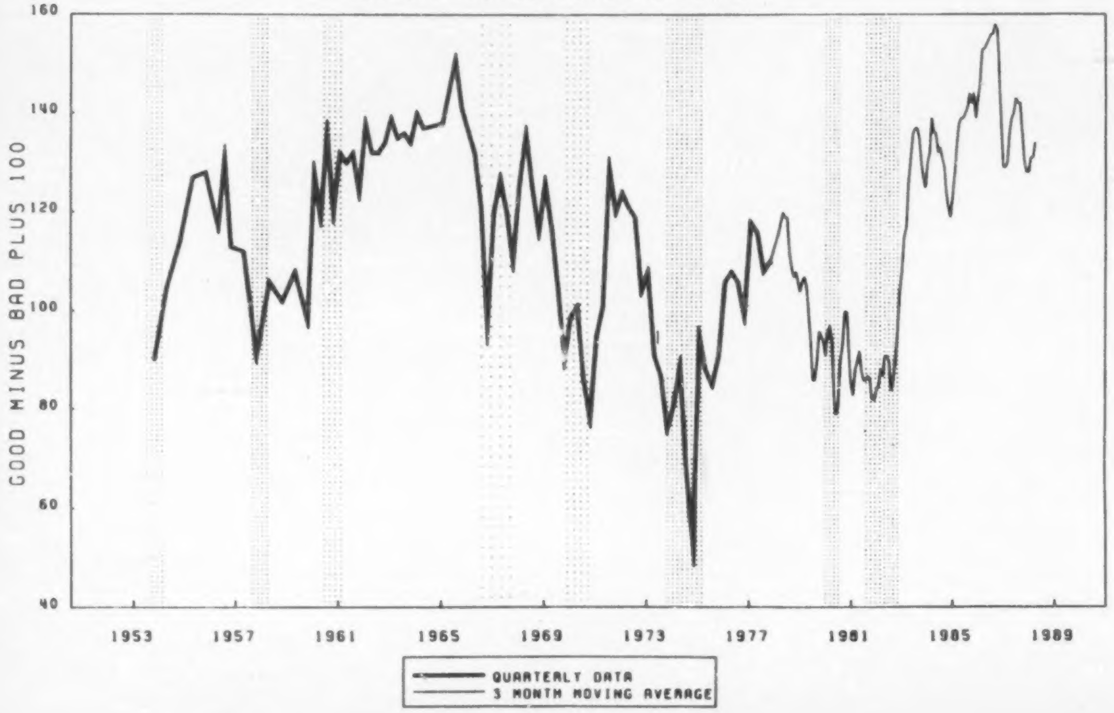


TABLE 25

BUYING CONDITIONS FOR CARS

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIME TO BUY	64%	67%	65%	67%	66%	66%	58%	57%	64%	59%	59%	62%	63%
UNCERTAIN; DEPENDS	8	9	10	11	9	9	11	8	6	11	13	8	12
BAD TIME TO BUY	28	24	25	22	25	25	31	35	30	30	28	30	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	652	651	654	651	654	650	500	501	500	502	500	500	504

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

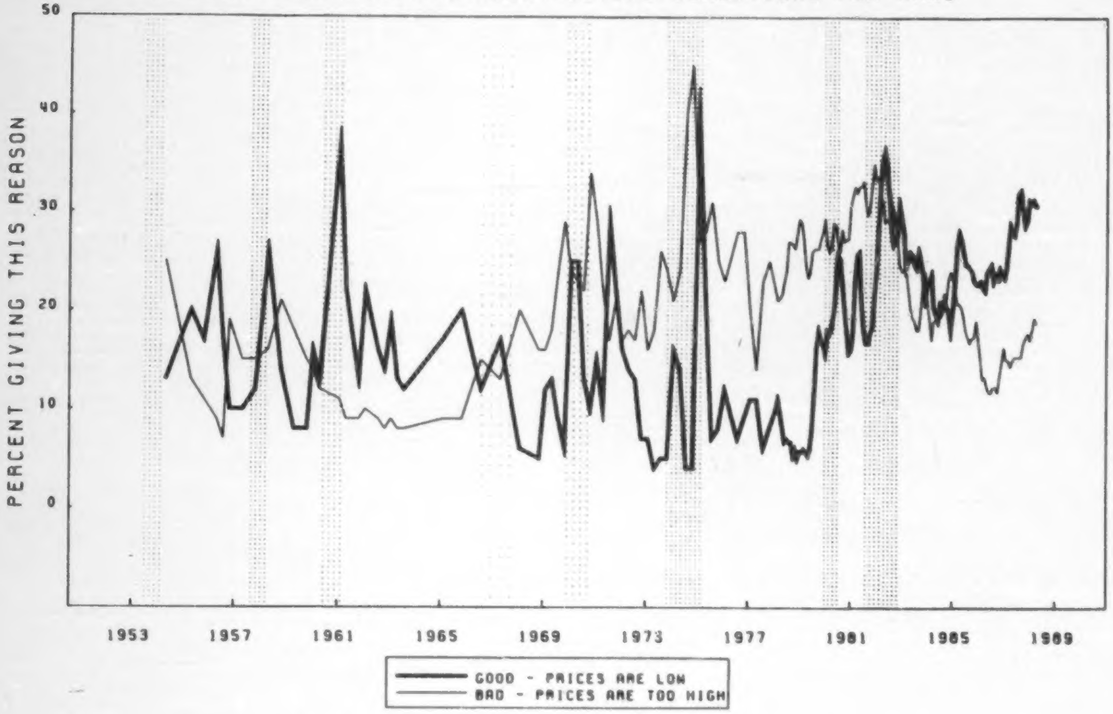


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

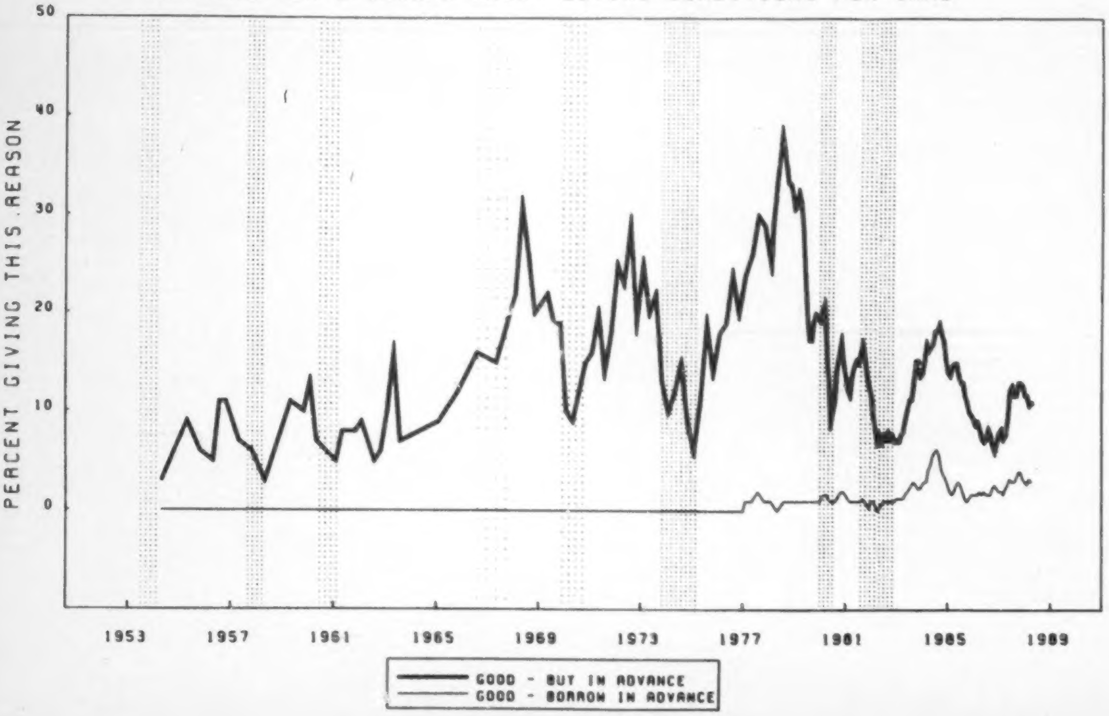


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	28%	27%	28%	32%	36%	29%	26%	31%	31%	32%	30%	32%	30%
Prices won't come down; are going higher	9	13	15	10	10	15	14	10	14	11	10	11	12
Interest rates low	37	37	35	28	35	36	22	21	21	20	20	20	21
Borrow-in-advance rates	4	3	3	3	3	4	5	3	2	4	2	4	3
Times are good; prosperity	3	2	*	3	2	2	4	2	2	3	3	4	3
BAD TIME TO BUY:													
Prices are high	15	15	16	15	15	16	19	17	17	17	20	21	15
Interest rates are high; credit is tight	2	6	5	5	5	4	7	10	9	5	8	6	6
Times are bad; can't afford to buy	3	3	3	3	3	3	3	4	4	5	4	3	5
Bad times ahead; uncertain future	2	2	1	1	*	1	3	9	4	3	2	2	2
Poor selection; quality	3	3	2	3	5	4	2	2	4	4	3	3	2

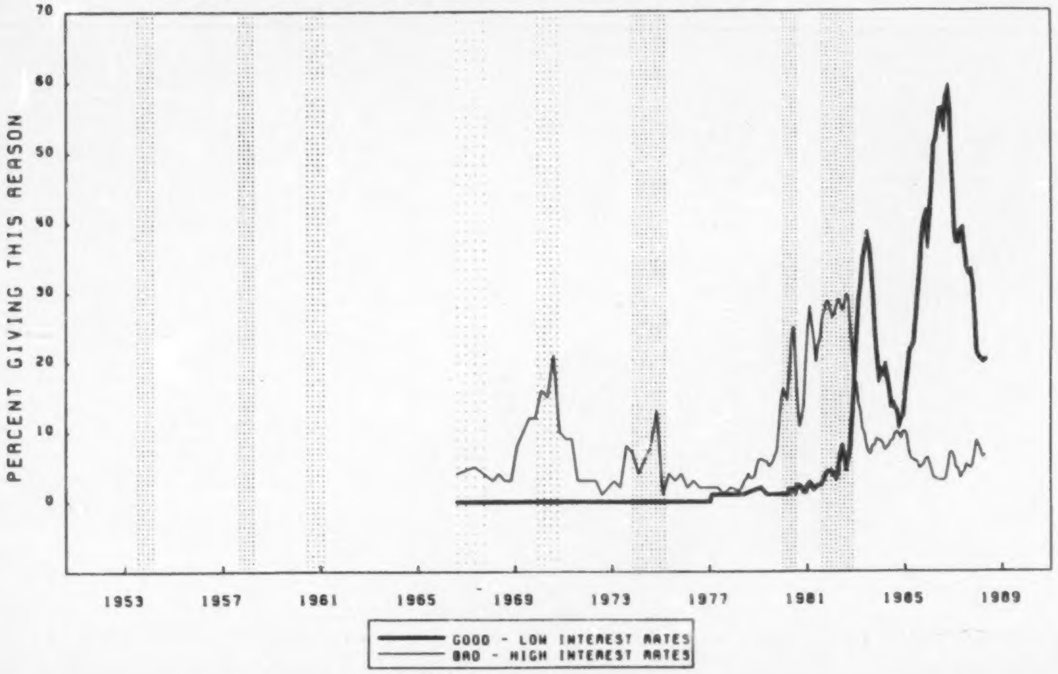
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

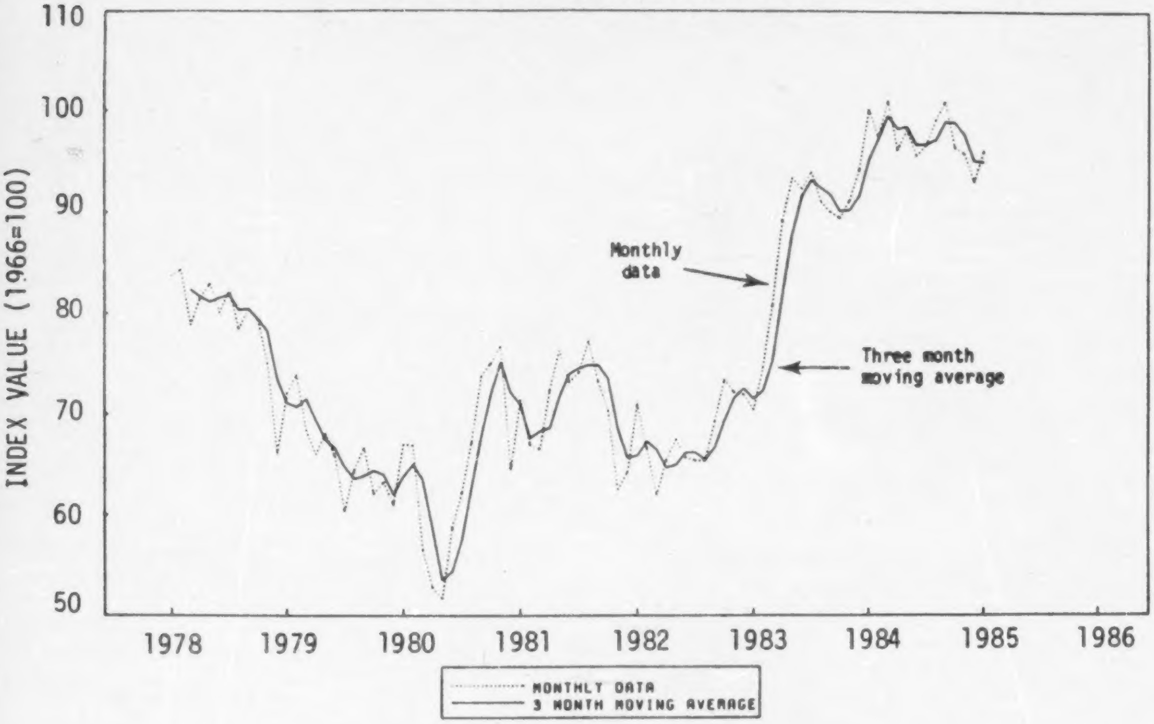
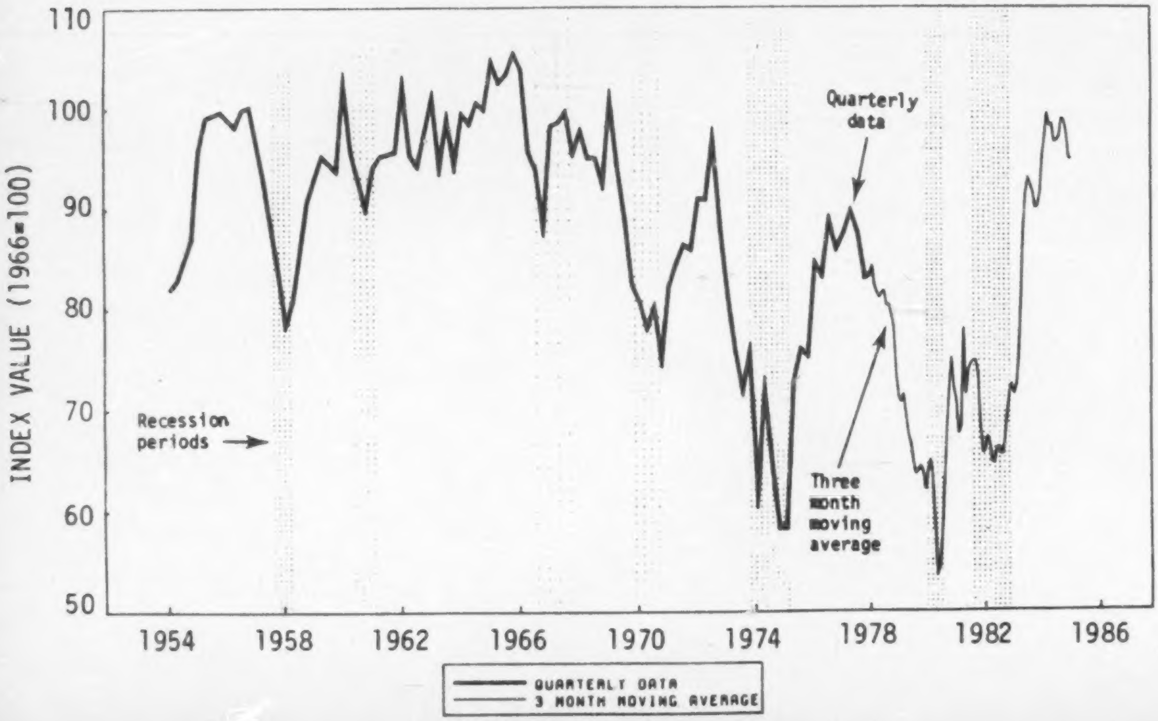


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

6/13/88

MAY 1988 MONTHLY REPORT

June 7, 1988

U7475-2

A

Surveys of Consumers

Richard T. Curtin, *Director*

CONSUMER CONFIDENCE RISES

- The Index of Consumer Sentiment rose to 94.8 in the May 1988 survey, rebounding from the decline to 91.2 in April, to just above the 94.6 recorded in March. The May reading was the highest level recorded in more than a year. The improvement was due to more favorable assessments of the national economy as well as more favorable buying attitudes. Partially offsetting these gains, however, consumers' assessments of their own financial situation slipped in the recent survey.

- Among families with incomes of $30,000 or more, the Index rose to 106.6 in the May 1988 survey, from 99.1 one month earlier, and 97.7 one year earlier.

- The proportion of families that expected good times financially in the country as a whole rose to 54 percent in the May 1988 survey, up from 50 percent one month earlier, and the crash induced low of 38 percent recorded six months earlier. Prospects for the national economy over the longer term also improved, with the proportion of families that expected good times during the next five years rising to 41 percent in May 1988, up from 36 percent one month earlier, and the low of 31 percent recorded six months earlier.

- The national unemployment rate was expected to remain largely unchanged during the year ahead at its current ten-year low by two-thirds of families in the May 1988 survey—the highest proportion ever recorded to expect an unchanged unemployment rate. Compared with a year ago, consumers' opinions have shifted from the expectation of increases in unemployment (21 percent in May 1988, down from 32 percent one year earlier) to the expectation of no change (67 percent in May 1988, up from 53 percent a year earlier). Few consumers expected further declines in the national unemployment rate in the May survey (11 percent).

- Concerns with rising interest rates greatly heightened in the May 1988 survey, reversing the entire improvement recorded following the stock market crash. In the May 1988 survey, 64 percent of all families expected interest rates to increase during the year ahead, up sharply from the 48 percent recorded just one month earlier. This returns interest rate expectations to the very unfavorable levels recorded from May through September of last year, and has again become for consumers the main the focal point of concern with current economic prospects.

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- In the May 1988 survey, consumers expected the rate of inflation during the year ahead to average 4.9%. This represents an increase from 4.5% one month earlier, and 4.7% one year earlier. Much of the increase in inflation expectations occurred during the prior year, when inflation expectations increased from 3.4% in May 1986 to 4.7% in May 1987.

- Favorable attitudes toward buying conditions for appliances, furniture, and home electronics were held by 79 percent of all families in the May 1988 survey, up from 73 percent in April, and the highest level since the all-time peak of 81 percent was recorded two years ago. When asked to explain these very positive views, consumers continued to place their primary emphasis on the availability of price discounts.

- Favorable car buying attitudes were held by 64 percent of all families in the May 1988 survey, between the 63 percent recorded one month earlier, and the 67 percent recorded one year earlier. The maintenance of car buying attitudes at high levels has been accompanied by a shift in the underlying reasons given by consumers. During the past year, favorable references by consumers to the availability of discounted interest rates on vehicle purchases have declined from 37 to 17 percent, placing greater emphasis on the availability of price discounts.

- Buying conditions for homes were viewed favorably by 72 percent of all families in the May 1988 survey, unchanged from one month earlier, but below the year earlier reading of 77 percent. Although the overall frequency of favorable home buying attitudes has not changed in recent months, the reasons underlying these views have shifted. From March to May of 1988, references to the current availability of low interest rates fell to 37 from 47 percent, while references to the advantages of borrowing-in-advance of rising interest rates rose to 14 from 7 percent. As such, these reactions to expected interest rate increases indicate as much short term strength as long term weakness.

- Consumers' evaluations of their current financial situation have weakened. Among all families in the May 1988 survey, 40 percent reported that their financial situation had improved, down from 49 percent just two months earlier. Since the start of the recovery, these personal financial evaluations have moved sideways in a zig-zag pattern at very favorable levels: the 49 percent in March was the highest level, and the 40 percent in May was nearly the lowest of these readings. Nonetheless, even after the May decline, these personal financial assessments still remained more favorable than the cyclical peak recorded in the late 1970s. The primary reason for the recent weakness has been less favorable income developments. Among all families in the May 1988 survey, the proportion that reported income gains fell to 29 percent from 40 percent in March.

- In contrast to their current situation, consumers continue to view their financial prospects for the year ahead favorably. Among all families in the May survey, 36 percent expected their financial situation to improve, up from 34 percent one month earlier and 32 percent one year earlier. Just 9 percent of all families expected their financial situation to worsen during the year ahead, while the majority of families expected their financial situation to remain largely unchanged.

• • •

The most recent survey indicates that U.S. consumer confidence has remained at very favorable levels. This is not the first time in this long expansion that the persistent strength in consumer confidence has confounded the pessimists. For the past five years, consumer sentiment has been more favorable than anytime since the mid 1960s. There have only been 7 months when the Index fell below 90 since May of 1983; in comparison, in the five years prior to that, the Index was never above 90. Interestingly, the 7 monthly surveys that fell below this mark all occurred in the months from September to December, in each of the past five years, except for 1984. The crash induced decline in late 1987 was deeper than the prior declines, and the recovery has been correspondingly larger.

Indeed, consumer confidence may now be more favorable than it would have been if the crash had not taken place. Fearing the worst, the actual developments in the U.S. economy since the crash have been judged more favorably than they would have been otherwise. Given the widespread fear and uncertainty spawned by the crash, just avoiding a recession became good news.

Nonetheless, the rebounds from these late year declines have not completely reversed the losses, thus diminishing the overall trend in consumer confidence. At present, it is not so much that further improvement is expected, but that consumers expect that the gains won over the long expansion will be maintained during the year ahead.

• • •

The May 1988 survey was conducted between May 1 and May 28, 1988 and included 500 completed interviews.

6/13/88

U7475-2 A

SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

MAY 1988

The May 1988 survey was the 238th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

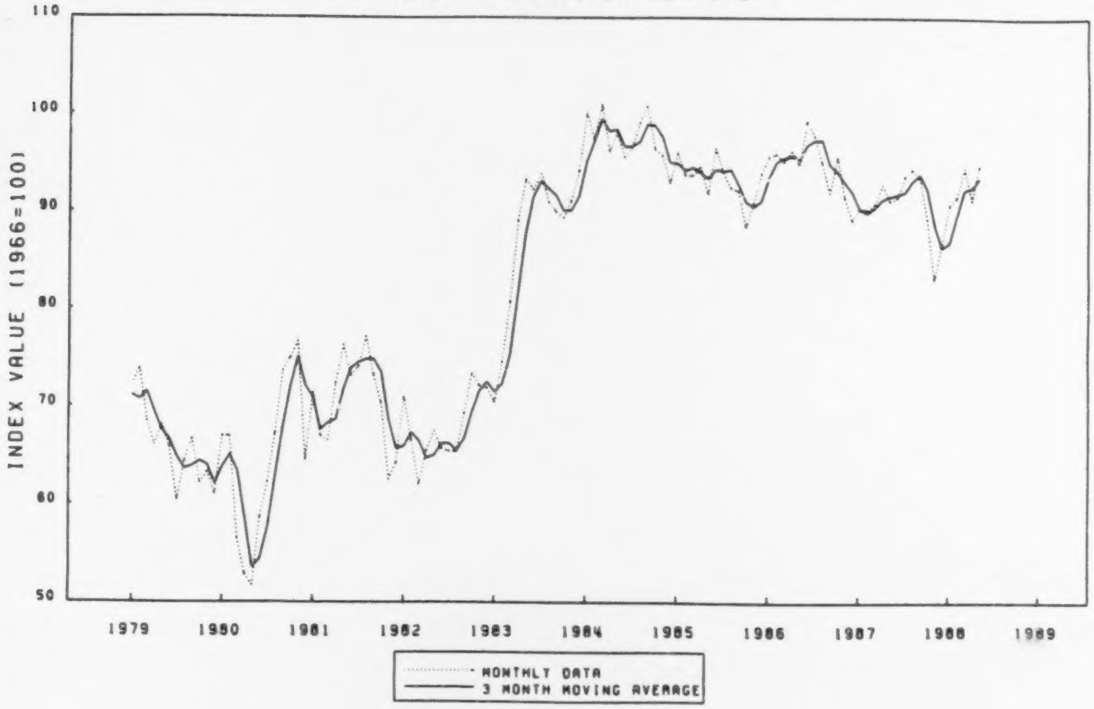


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

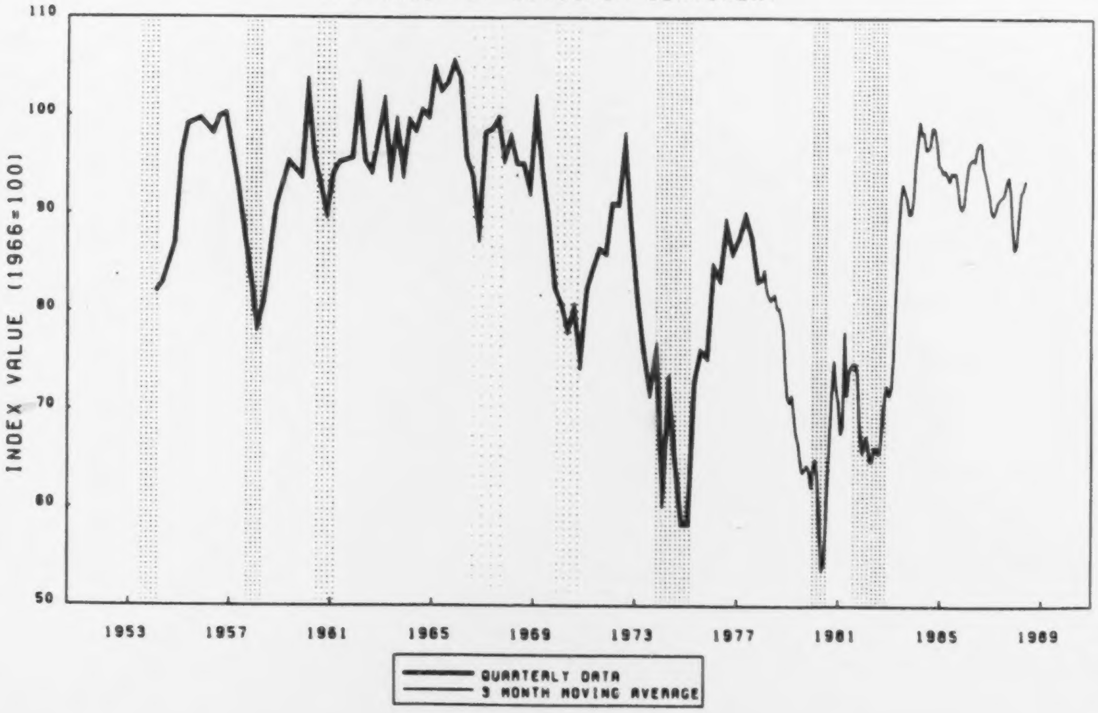


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
May	1985	91.8	105.3	107.7
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

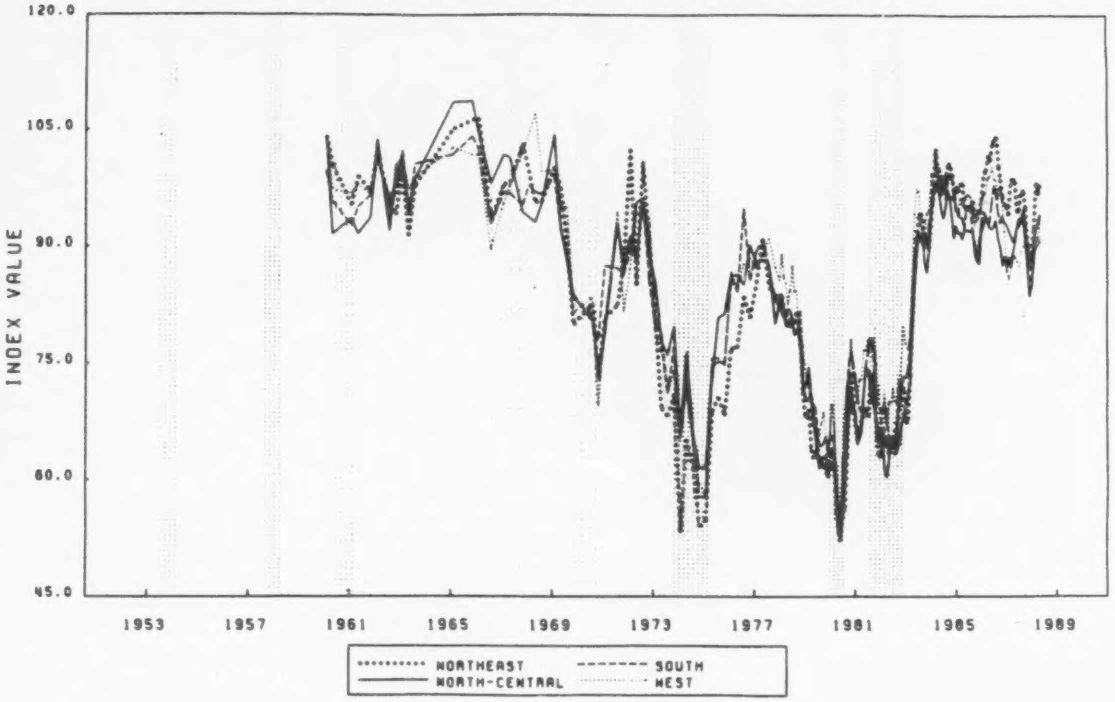


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

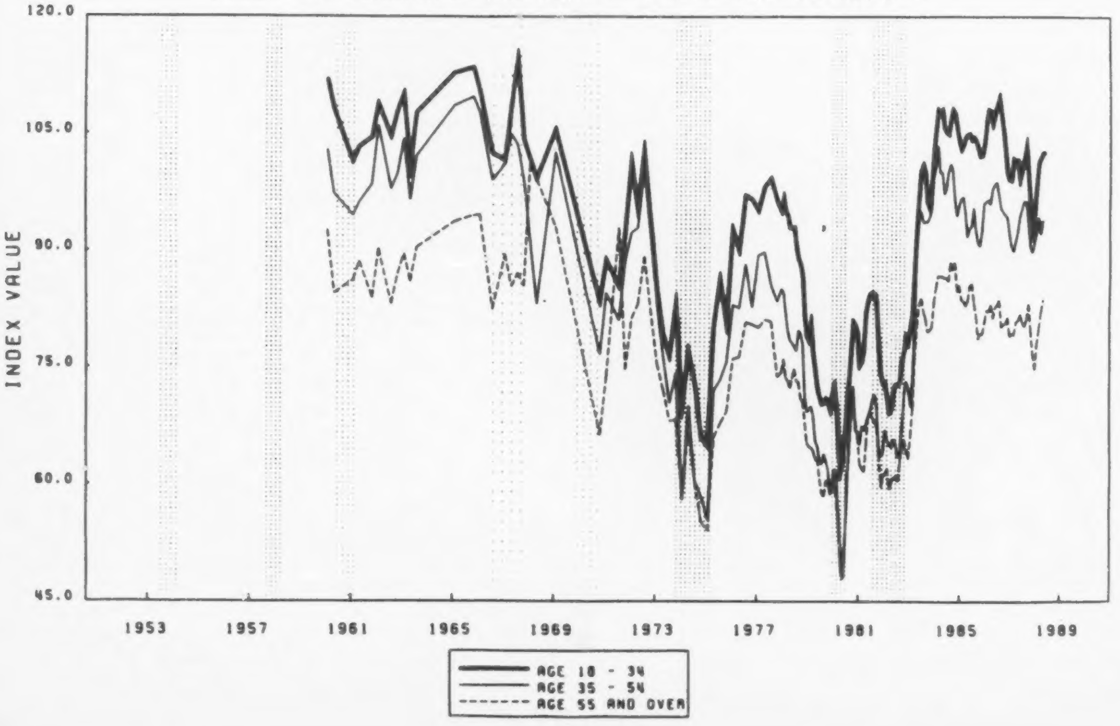


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

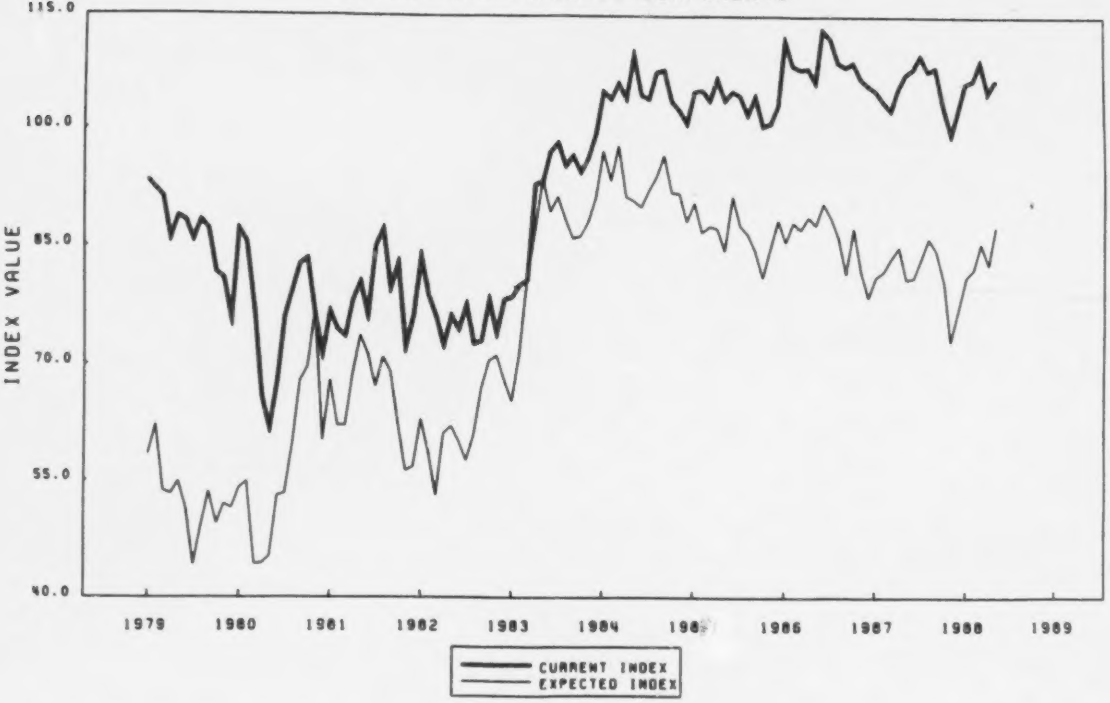


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

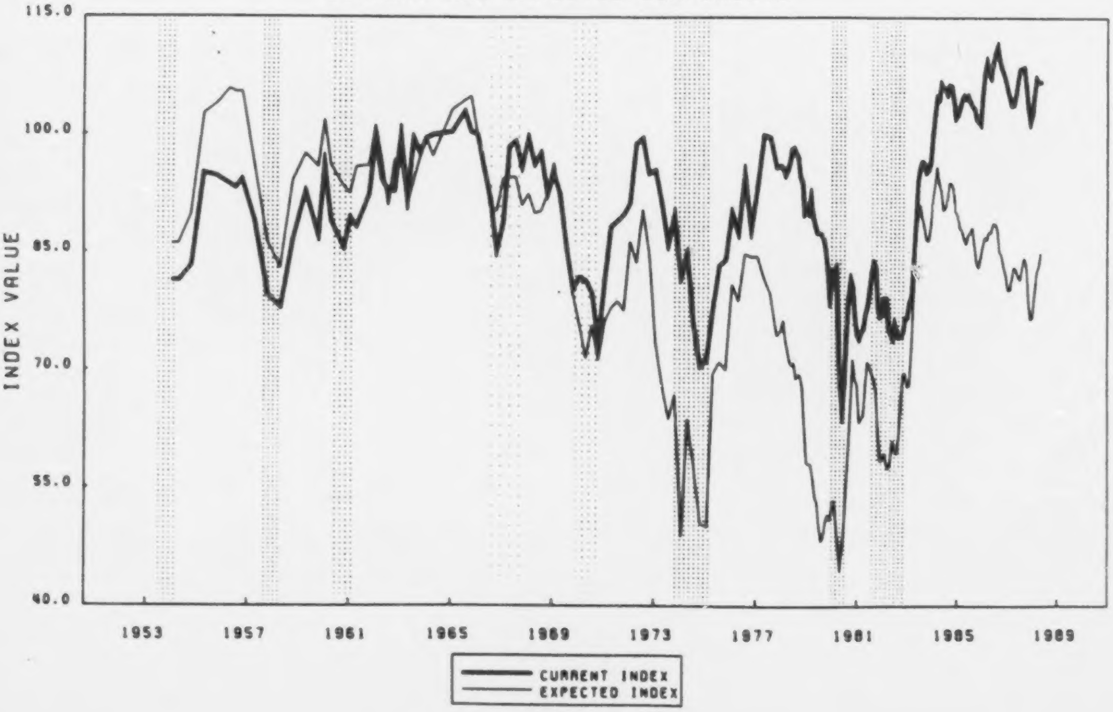


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

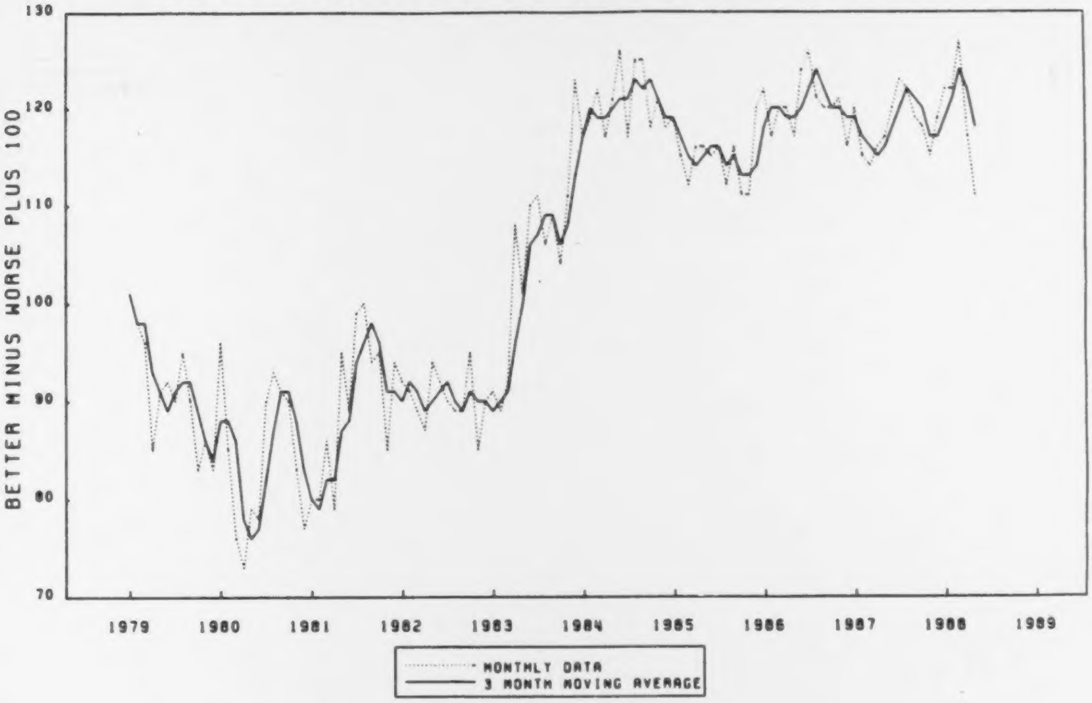


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

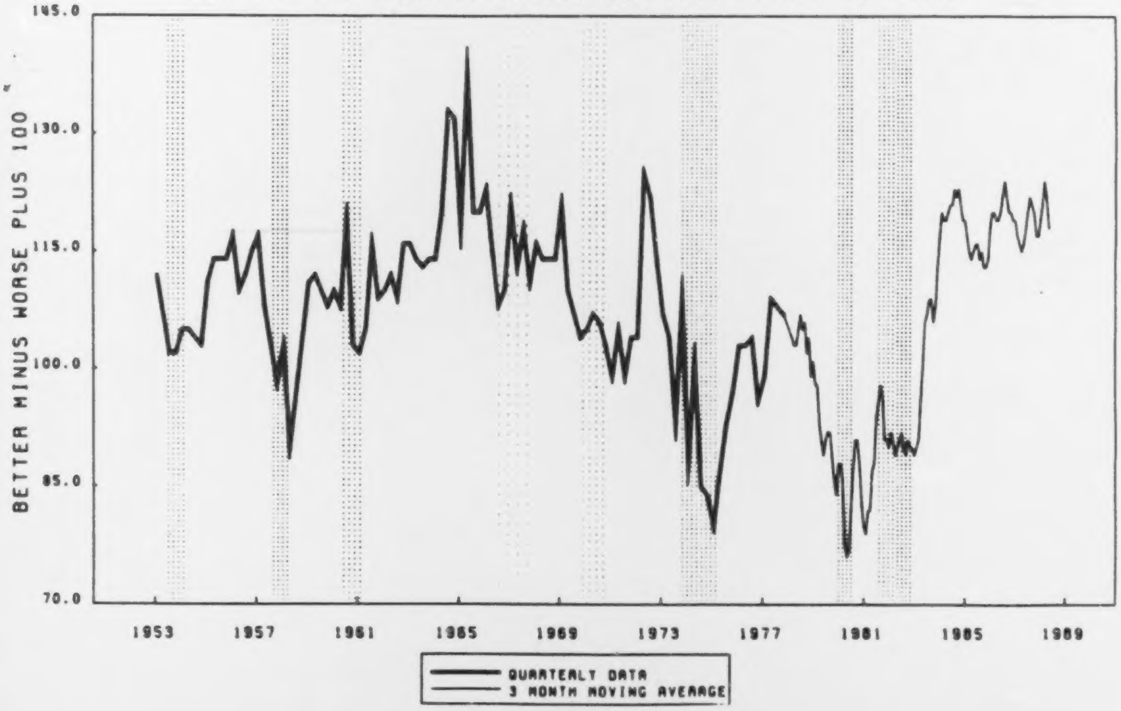


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
BETTER OFF	43%	44%	45%	45%	42%	43%	42%	43%	46%	47%	49%	41%	40%
SAME	31	32	32	32	34	32	31	33	29	27	29	34	31
WORSE OFF	26	24	22	23	23	25	27	24	24	25	22	24	29
DK,NA	*	*	1	*	1	*	*	*	1	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

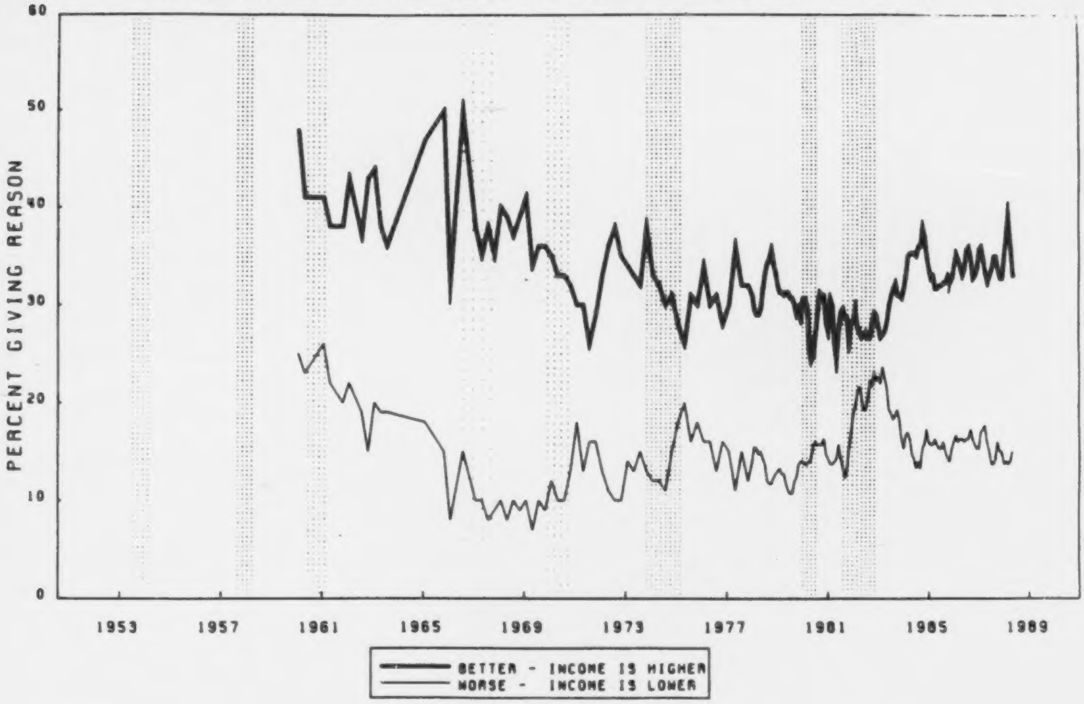


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

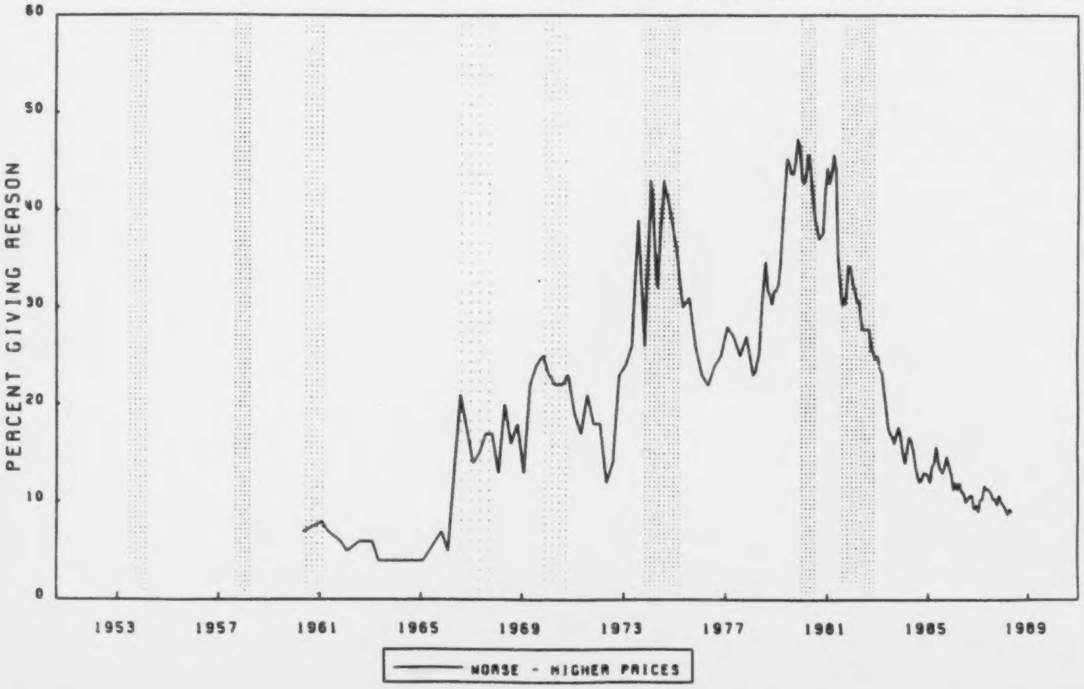


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	33%	36%	36%	33%	32%	33%	33%	39%	39%	40%	30%	29%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	14	12	15	16	17	12	16	13	13	15	14	16
Higher prices	11	12	10	9	12	8	12	10	7	11	8	9	10

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

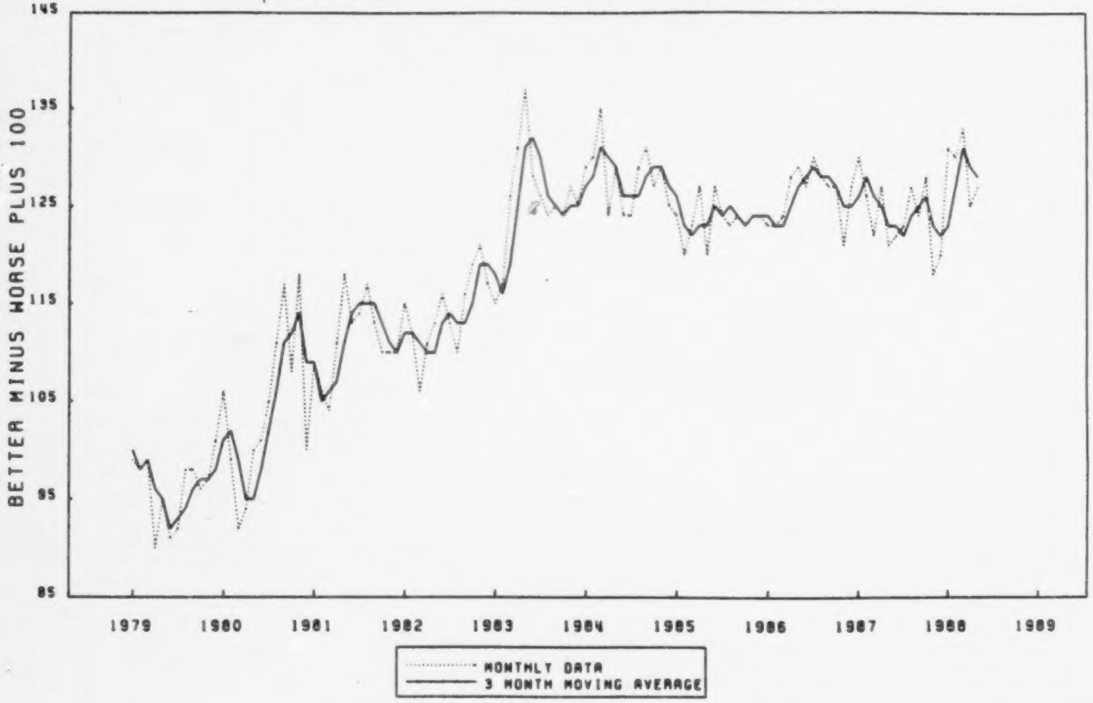


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

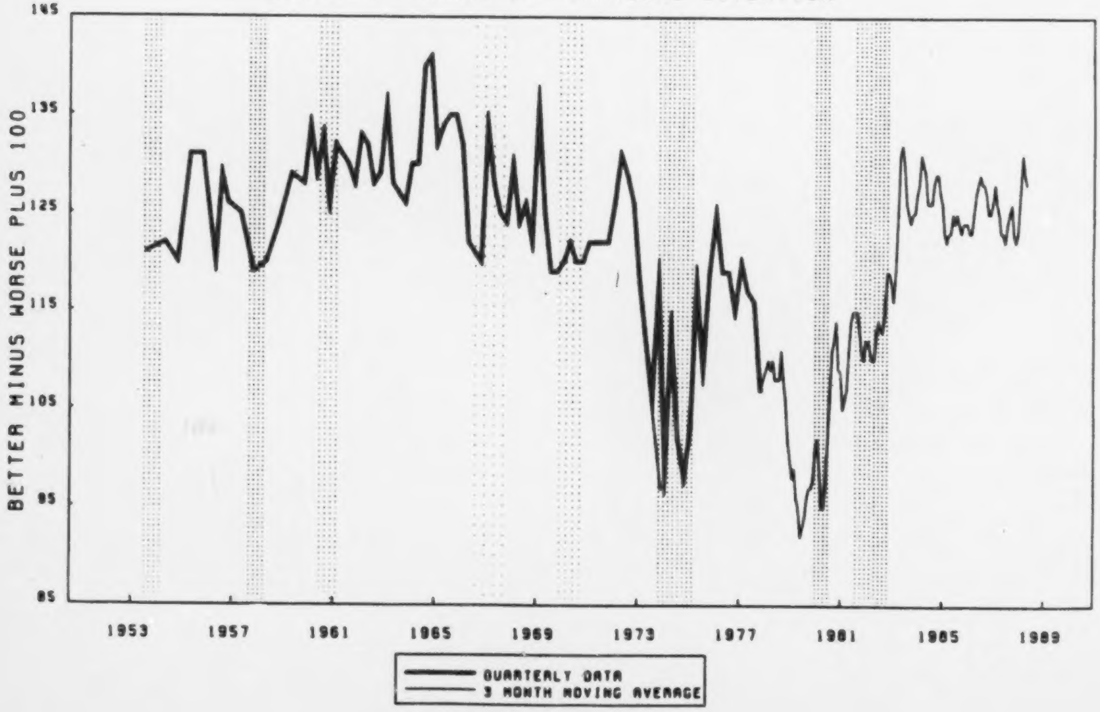


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
BETTER OFF	32%	33%	34%	39%	35%	37%	33%	32%	38%	39%	39%	34%	36%
SAME	54	53	52	46	49	51	49	51	53	48	52	54	52
WORSE OFF	11	11	11	12	11	9	15	12	7	9	6	9	9
DK,NA	3	3	3	3	5	3	3	5	2	4	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

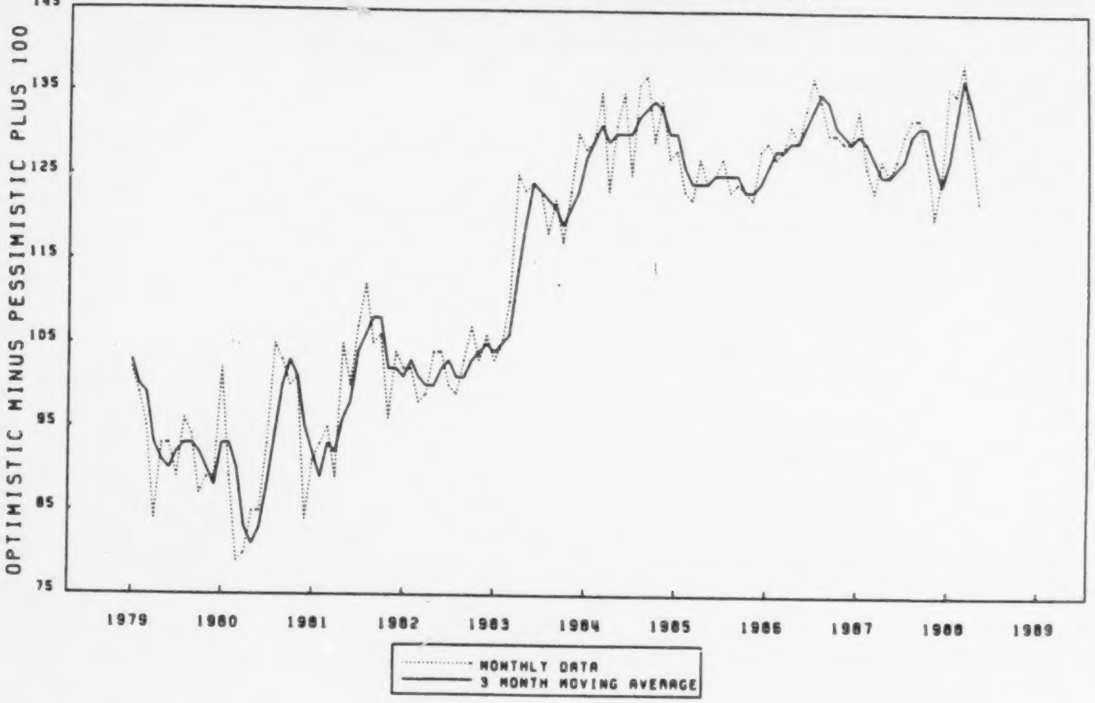


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

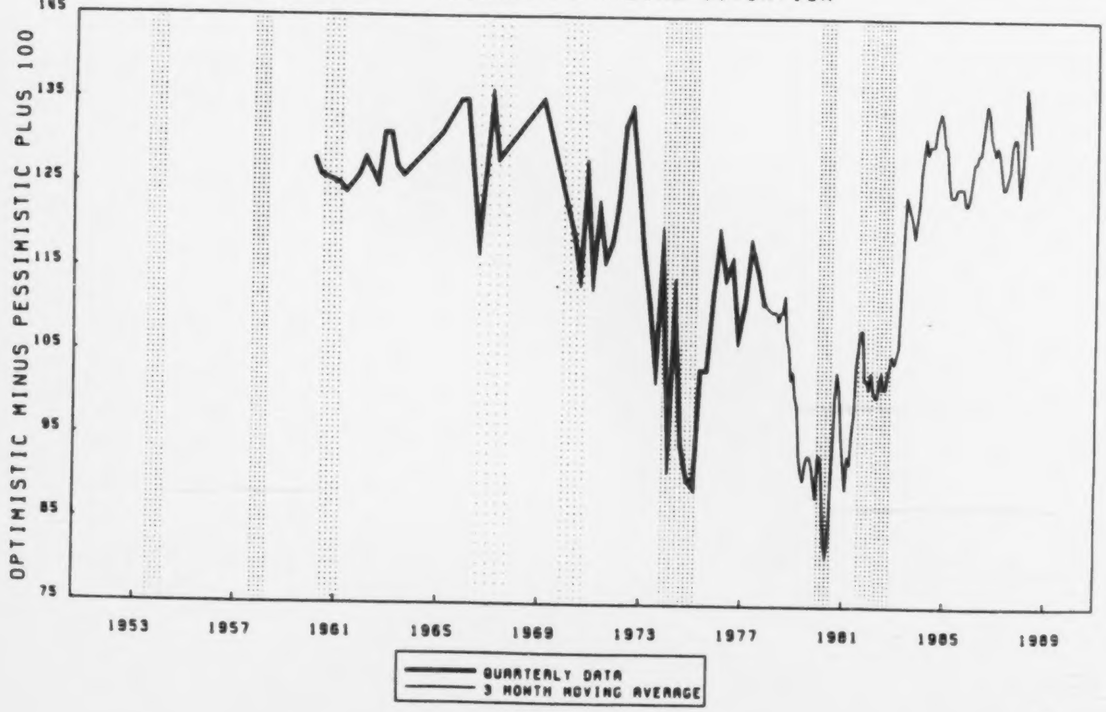


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	17%	18%	19%	23%	18%	23%	19%	17%	21%	20%	25%	18%	19%
Intermittant increase (b)	28	31	29	29	31	24	25	27	31	31	30	30	24
Remain unchanged (c)	20	17	20	16	19	21	18	19	19	15	17	20	21
Intermittant decline (d)	16	17	14	16	12	15	18	17	13	13	13	16	17
Continuous decline (e)	4	5	4	4	5	4	6	2	3	3	3	3	4
Mixed change (f)	12	8	10	9	10	10	11	13	11	13	9	9	13
DK,NA	3	4	4	3	5	3	3	5	2	5	3	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

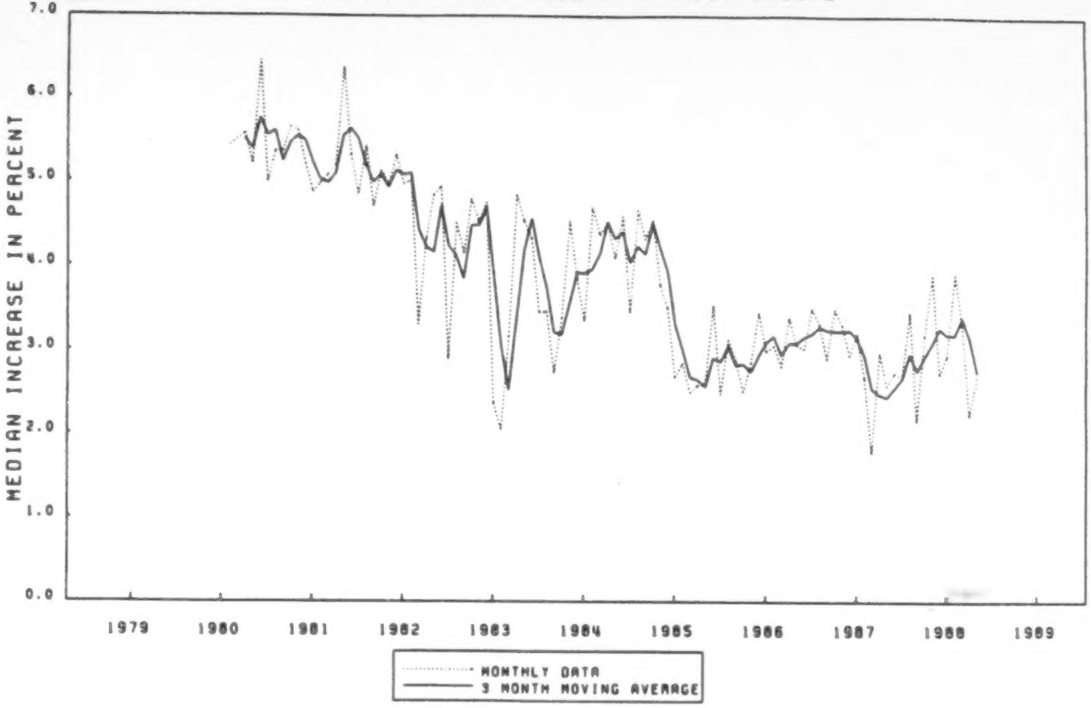


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

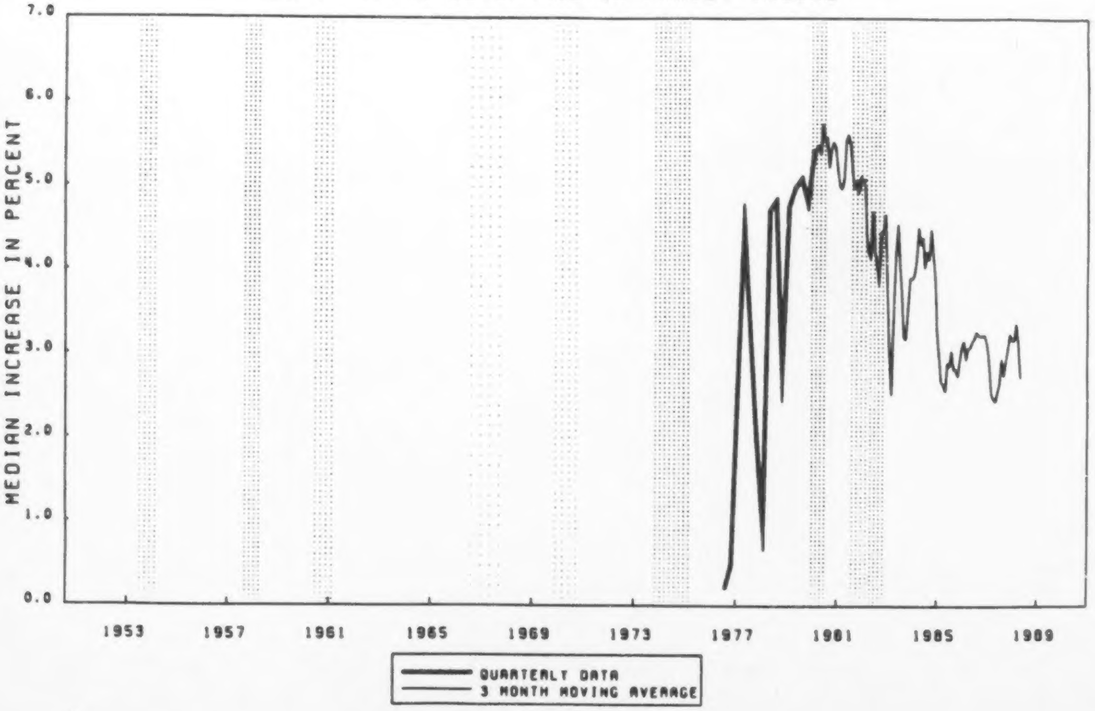


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
EXPECT INCREASE:													
1-4%	18%	21%	18%	17%	17%	15%	18%	19%	18%	16%	16%	16%	15%
5%	9	9	9	12	13	10	11	10	12	15	11	9	12
6-9%	8	10	7	6	6	9	8	8	7	8	7	6	7
10-24%	14	13	16	17	10	15	18	14	15	17	17	14	13
25% or more	6	5	6	8	6	5	7	4	6	5	7	6	9
DK how much up	3	4	4	4	5	6	2	3	4	2	2	6	2
EXPECT SAME	26	26	27	23	30	25	21	23	27	23	29	30	28
EXPECT DOWN	15	12	13	11	11	13	13	19	10	12	9	12	13
DK,NA	1	*	*	2	2	2	2	*	1	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

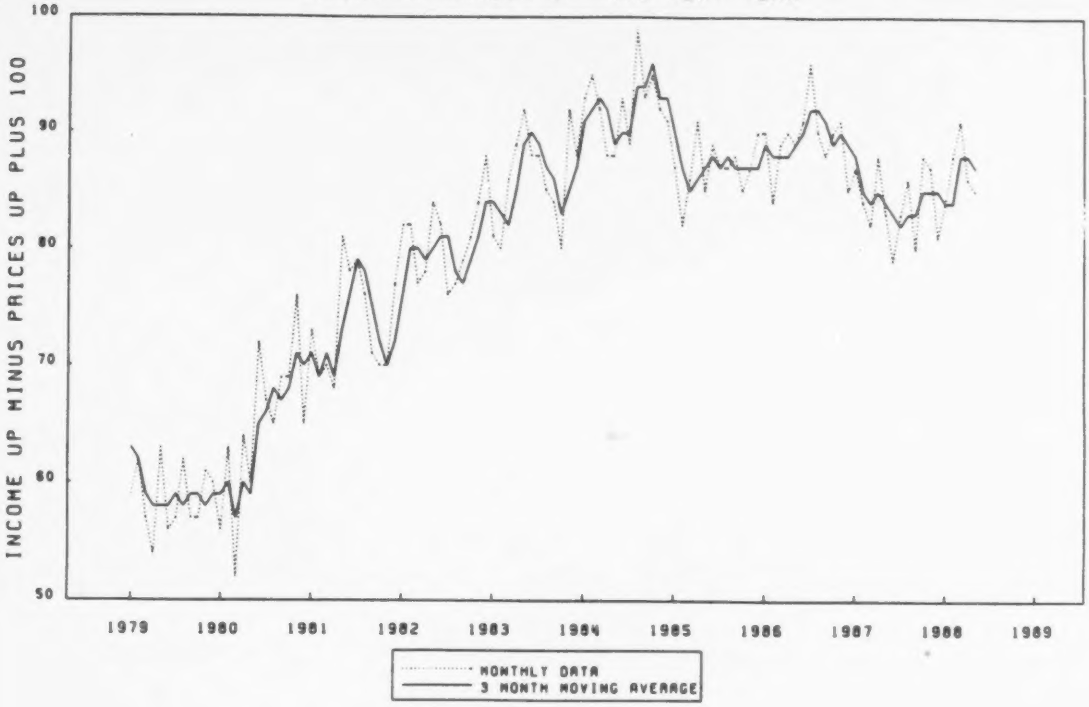


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

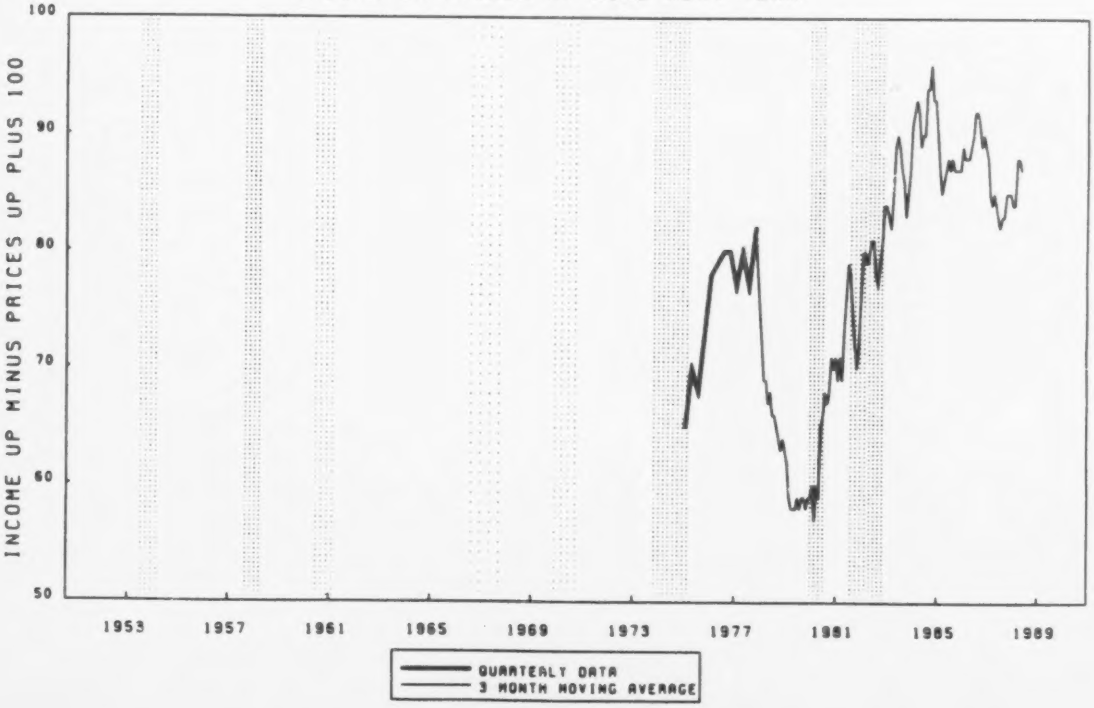


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
INCOME UP MORE	17%	17%	17%	21%	18%	20%	22%	19%	19%	20%	22%	19%	19%
INCOME UP SAME	48	44	47	42	42	45	43	41	44	45	44	47	44
PRICES UP MORE	34	38	34	35	38	32	35	38	35	32	31	33	34
DK,NA	1	1	2	2	2	3	*	2	2	3	3	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

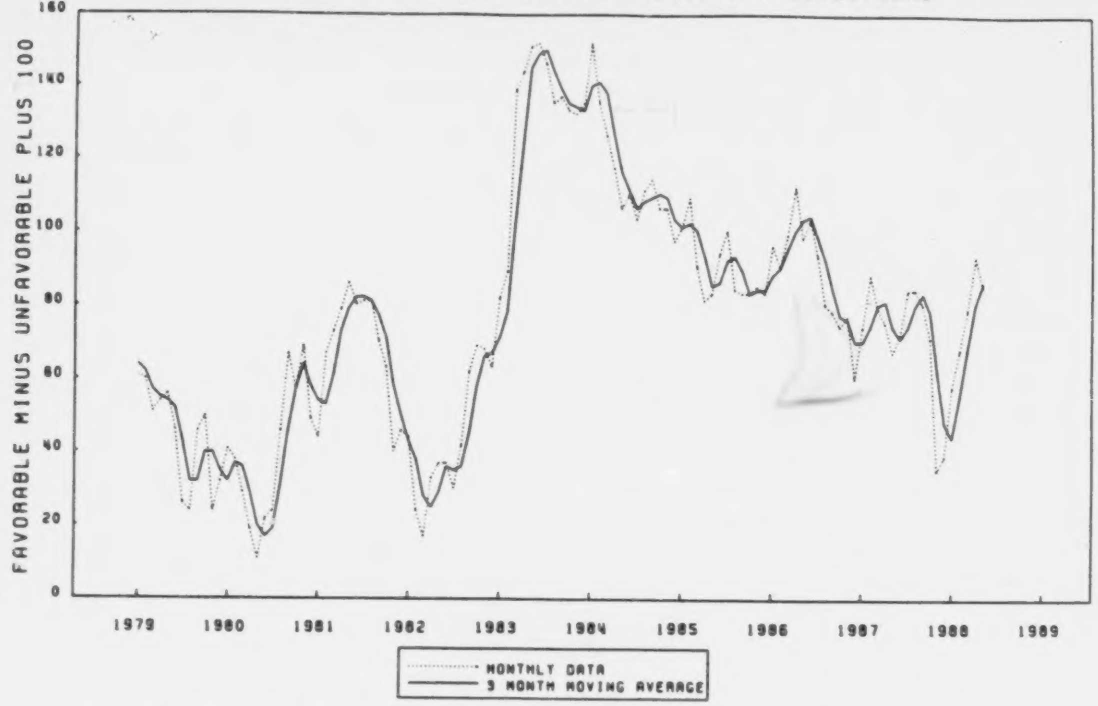


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

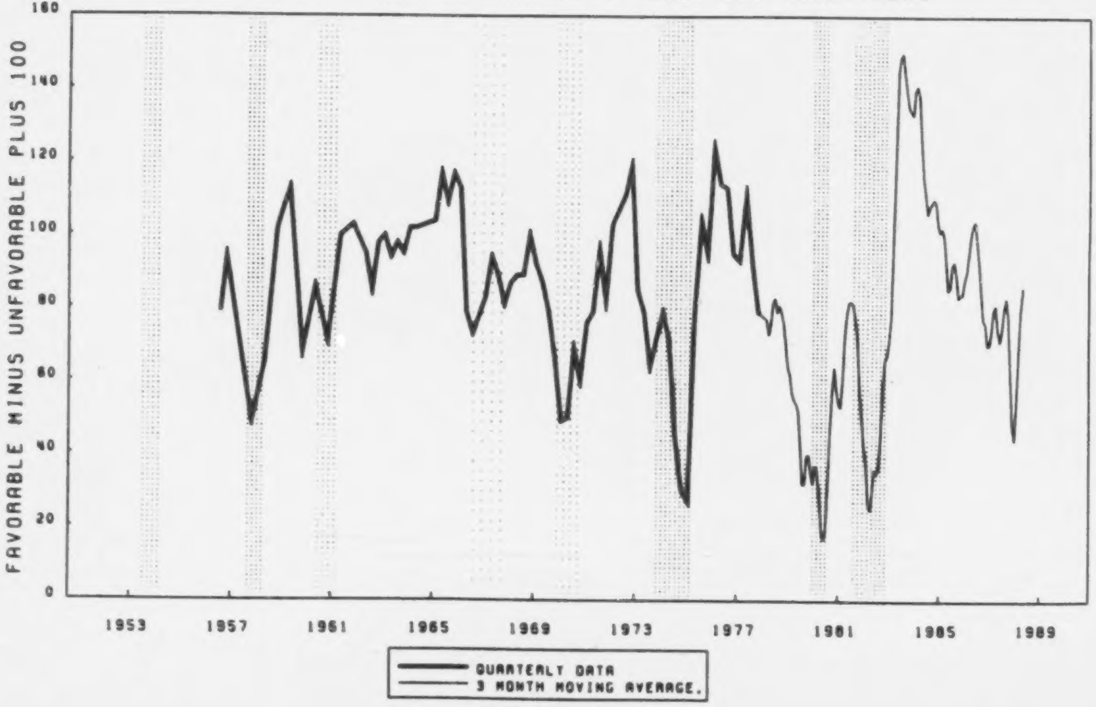


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
FAVORABLE NEWS	26%	29%	29%	32%	24%	25%	18%	18%	23%	26%	29%	30%	33%
UNFAVORABLE NEWS	59	57	45	48	44	54	83	79	65	58	50	37	48
NO MENTIONS	44	42	50	47	53	47	32	36	41	42	45	51	44

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

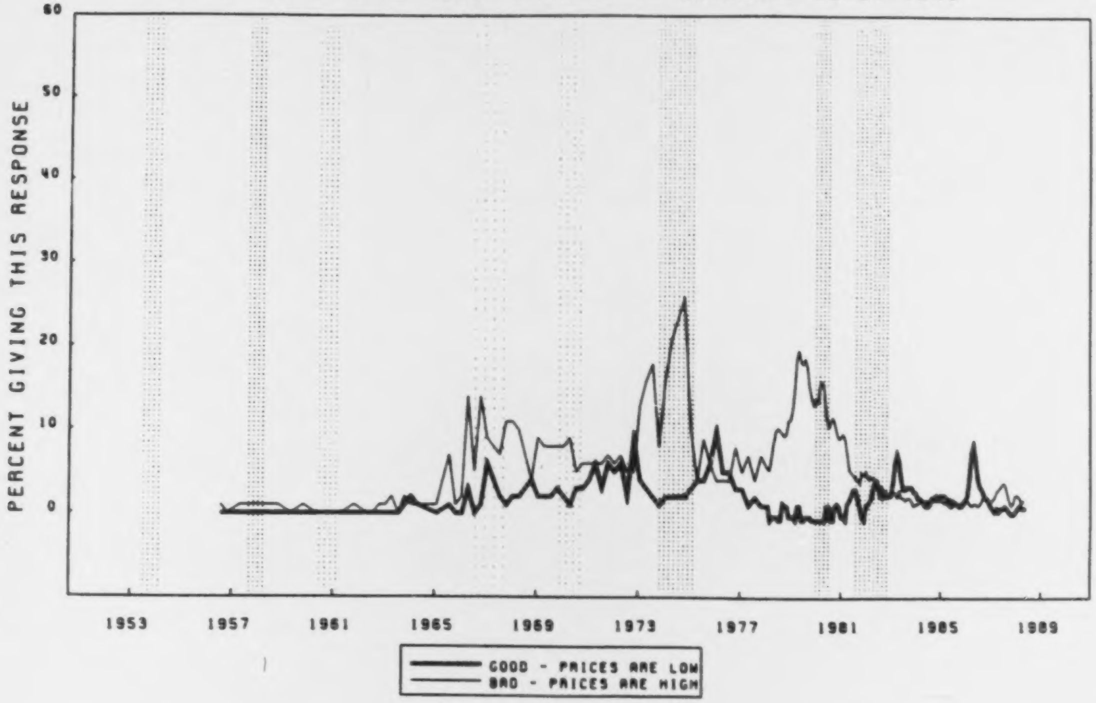


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

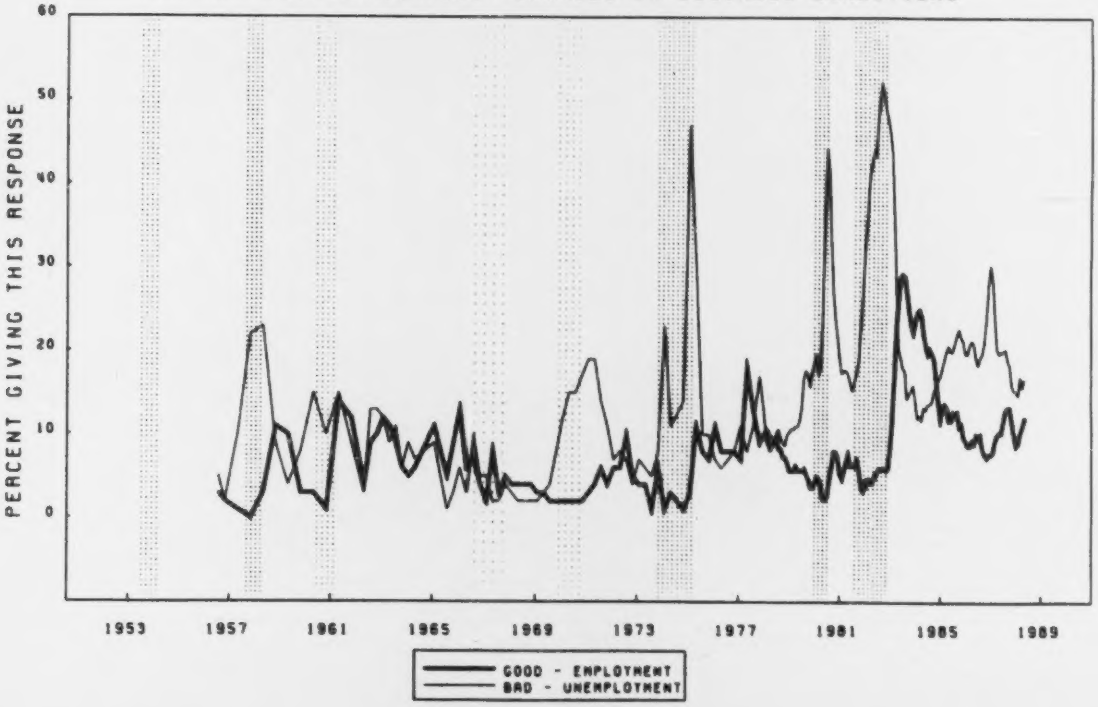


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
FAVORABLE NEWS:													
Government; elections	1%	2%	2%	3%	1%	*	*	1%	1%	1%	1%	2%	3%
Employment	11	11	13	15	12	13	10	7	9	11	11	11	14
Higher consumer demand	1	2	*	1	*	1	1	1	2	1	2	1	3
Lower prices	*	1	1	1	*	*	*	*	1	1	1	*	1
Easier credit	3	3	2	1	1	1	1	2	1	4	2	2	2
Stock market	1	2	2	3	2	3	2	1	*	1	2	3	2
Trade deficit	2	2	2	1	1	1	1	1	3	2	3	2	1
UNFAVORABLE NEWS:													
Government; elections	7	7	5	5	3	5	6	6	6	6	3	5	5
Unemployment	21	21	18	22	17	16	15	15	16	13	22	12	16
Lower consumer demand	2	3	3	2	1	3	5	4	4	3	1	3	3
Higher prices	3	4	4	3	1	1	1	2	4	1	1	2	2
Tighter credit	6	7	4	2	5	6	5	3	1	2	1	1	4
Stock market	1	3	2	2	2	11	38	32	21	18	10	7	7
Trade deficit	7	7	4	6	3	4	4	7	6	4	3	3	4

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

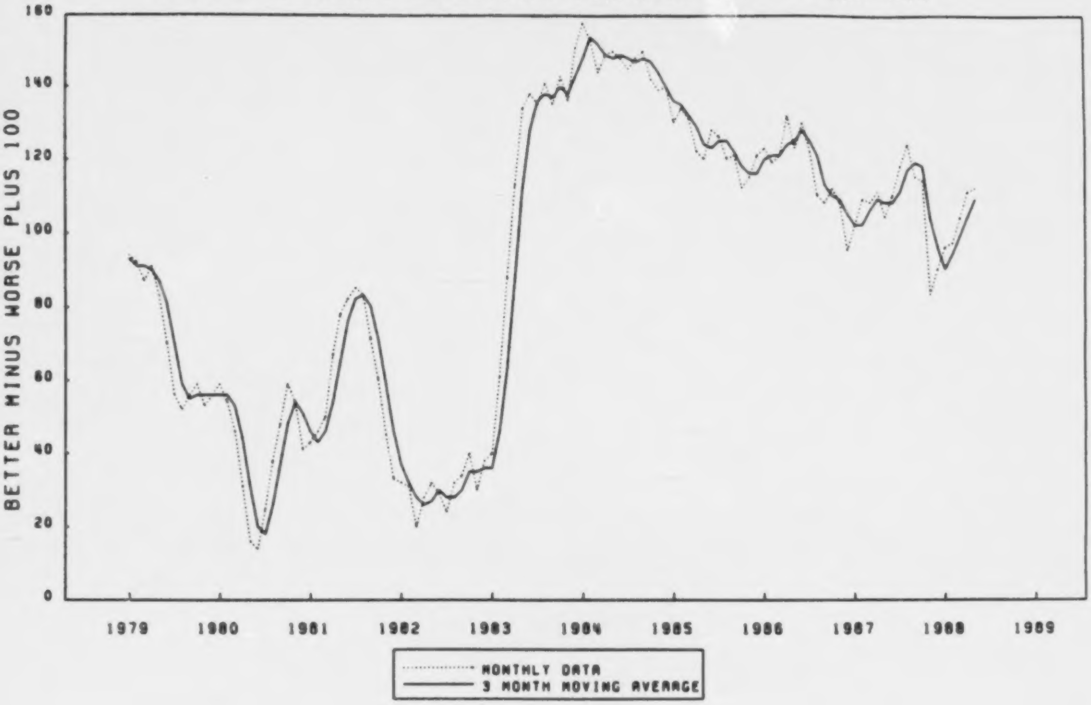


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

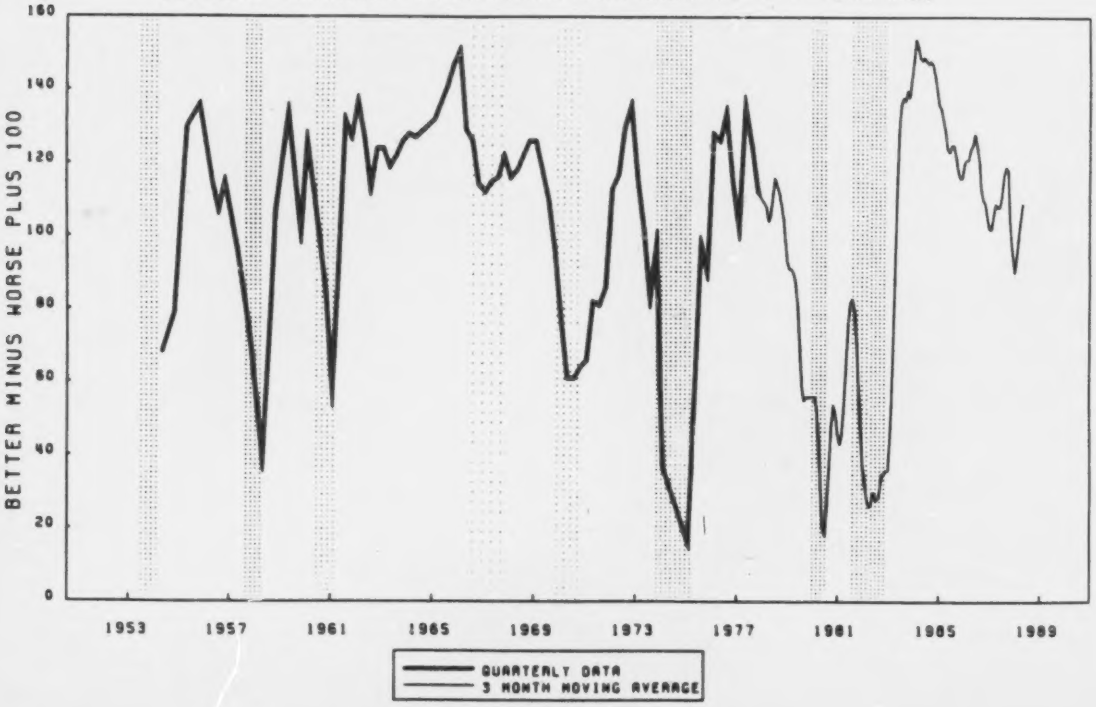


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
BETTER NOW	43%	46%	50%	54%	49%	49%	33%	36%	40%	41%	40%	47%	47%
SAME	16	16	16	14	14	14	16	15	14	13	21	14	17
WORSE NOW	39	36	32	30	34	35	50	46	44	44	36	36	35
DK,NA	2	2	2	2	3	2	1	3	2	2	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

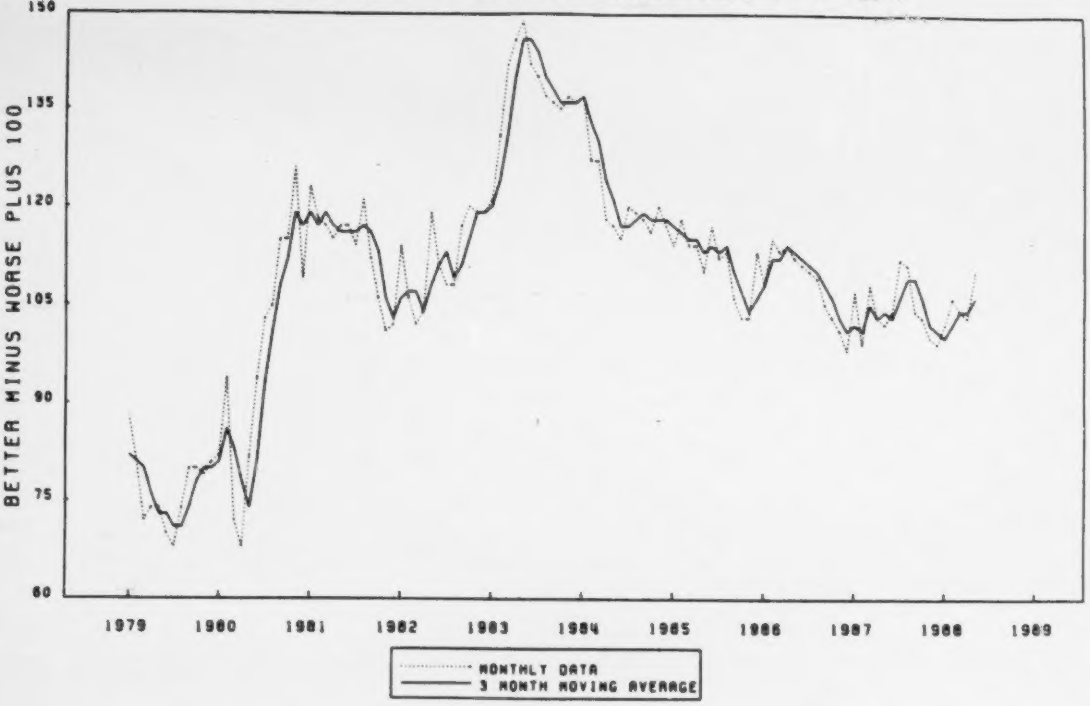


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

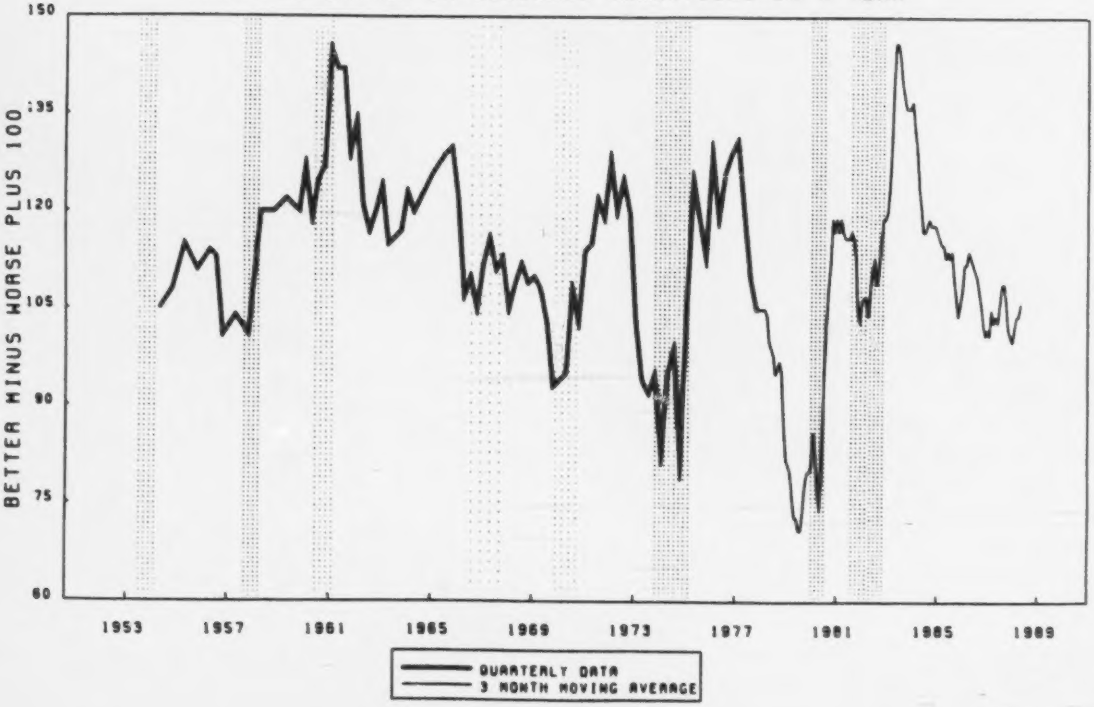


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
BETTER	22%	23%	26%	25%	21%	22%	23%	22%	21%	23%	21%	21%	26%
SAME	57	57	56	57	58	57	52	53	58	58	58	57	53
WORSE	20	19	14	14	17	19	23	23	19	17	17	18	16
DK,NA	1	1	4	4	4	2	2	2	2	2	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

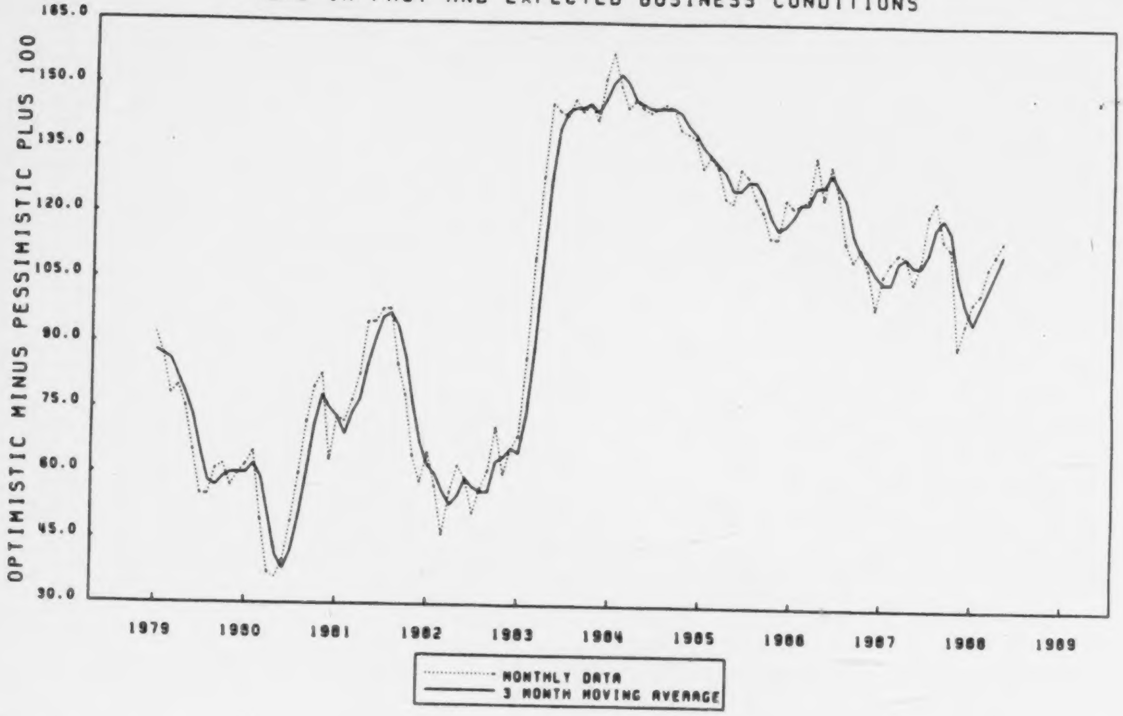


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

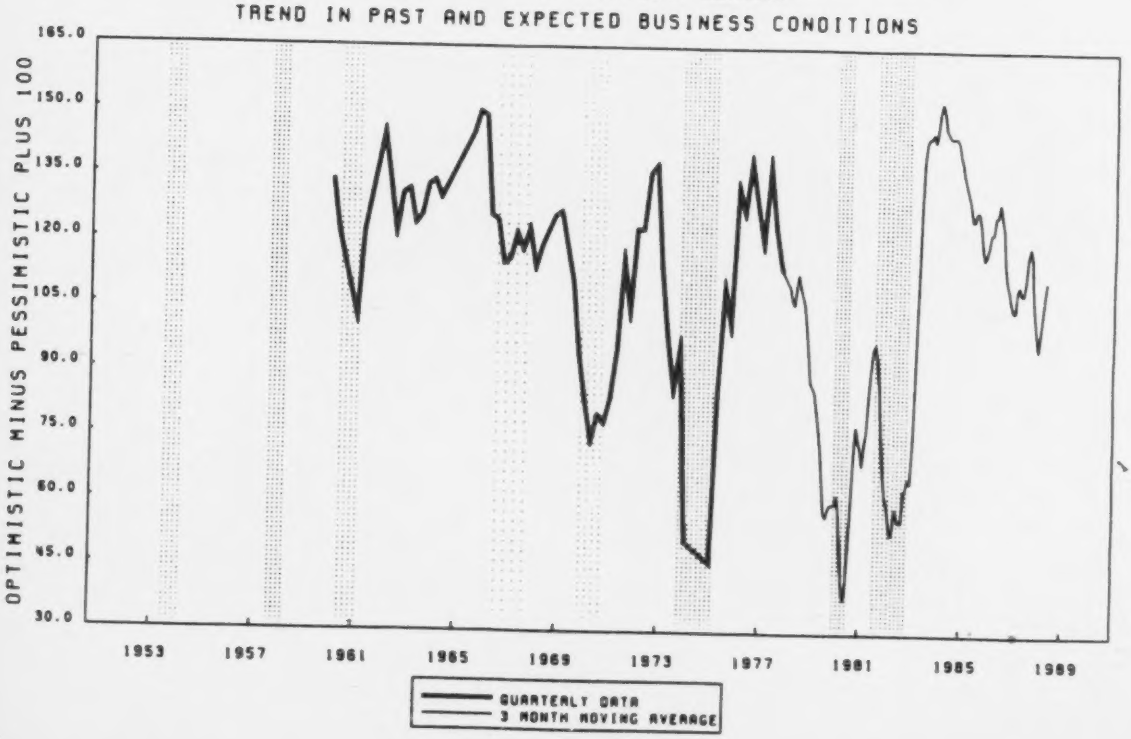


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
TREND:													
Continuous increase (a)	12%	14%	17%	19%	14%	16%	10%	10%	11%	12%	10%	14%	16%
Intermittant increase (b)	28	28	33	33	32	29	22	24	29	27	30	30	29
Remain unchanged (c)	10	11	9	9	9	10	10	10	8	10	12	9	9
Intermittant decline (d)	24	21	19	20	21	21	26	22	25	24	21	20	20
Continuous decline (e)	11	11	10	8	10	11	16	16	14	12	10	12	10
Mixed change (f)	12	12	7	6	9	10	14	13	10	11	11	9	11
DK,NA	3	3	5	5	5	3	2	5	3	4	6	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

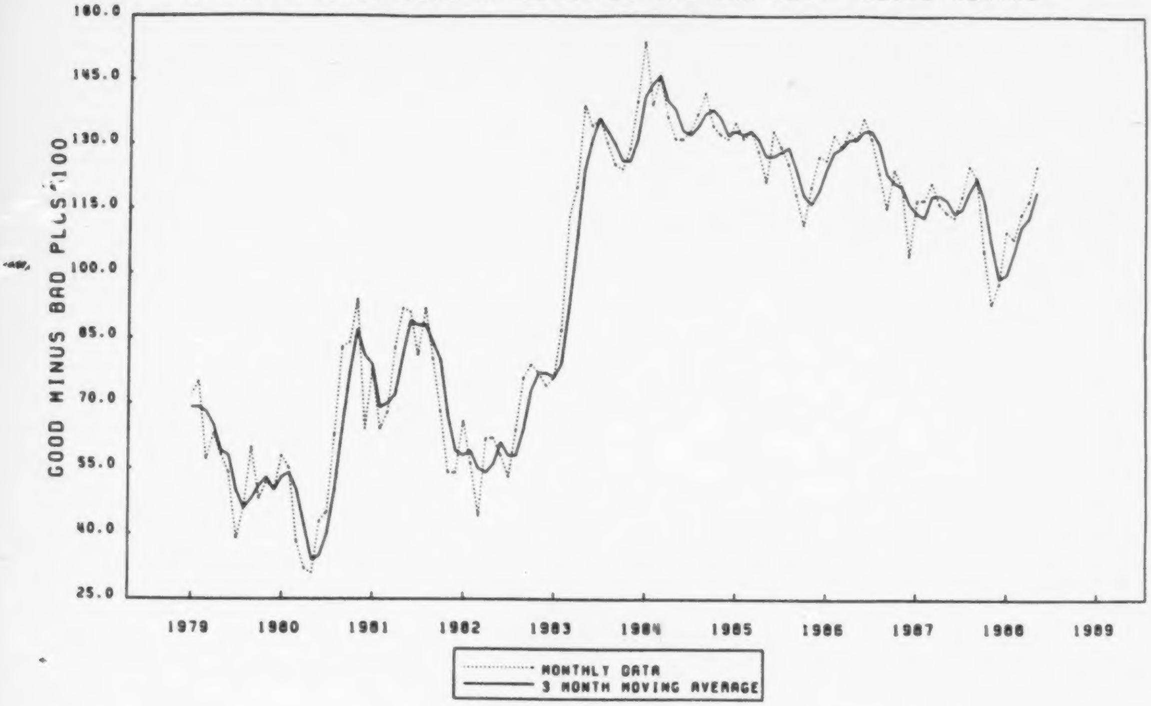


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

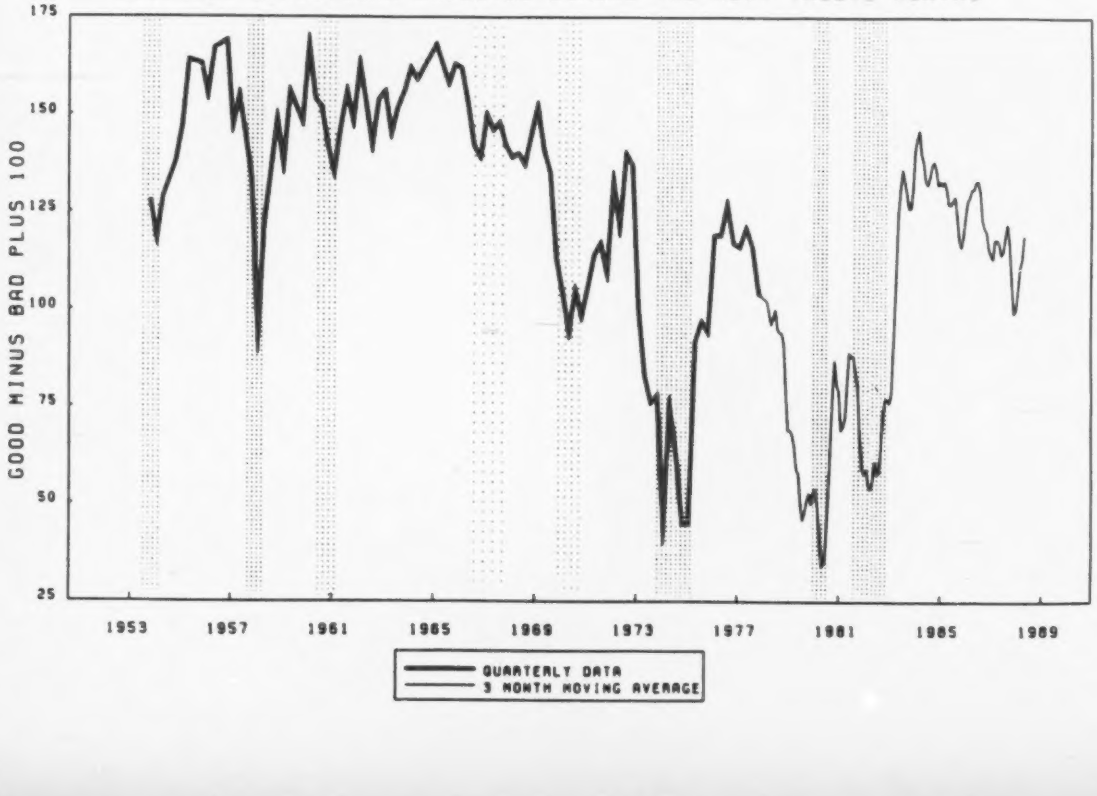


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIMES	51%	50%	51%	55%	51%	43%	38%	41%	47%	45%	47%	50%	54%
UNCERTAIN; GOOD & BAD	1	2	2	3	5	3	2	4	4	4	4	4	4
BAD TIMES	37	37	33	30	29	38	45	43	37	37	33	33	29
DON'T KNOW	5	5	7	7	7	7	8	6	7	7	7	9	8
NOT ASCERTAINED	6	6	7	5	8	9	7	6	5	7	9	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

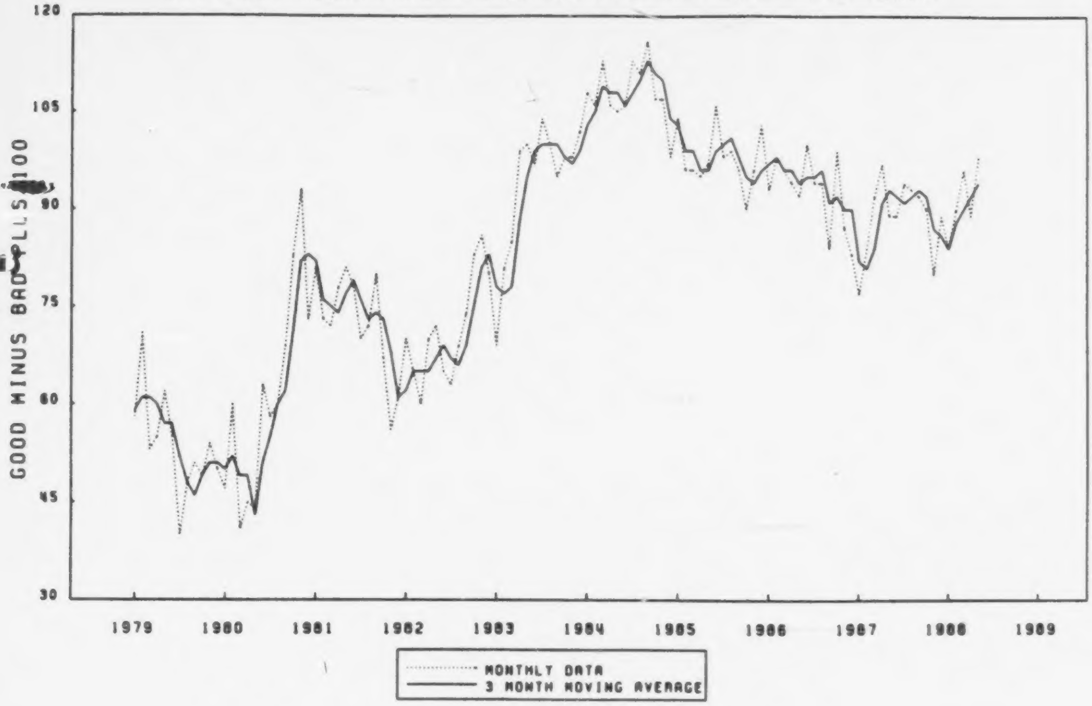


CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

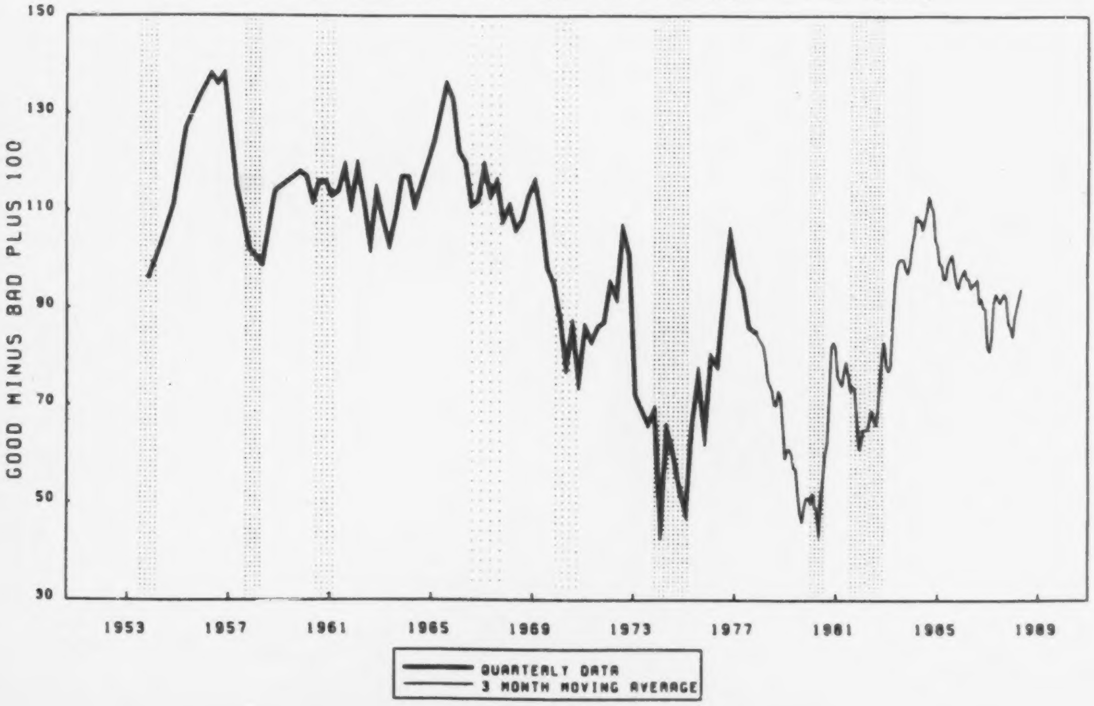


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIMES	36%	37%	36%	36%	37%	36%	31%	33%	34%	35%	39%	36%	41%
UNCERTAIN; GOOD & BAD	13	9	15	16	13	12	13	16	12	15	14	15	13
BAD TIMES	47	48	42	43	45	46	51	44	50	45	43	47	43
NOT ASCERTAINED	4	6	7	5	5	6	5	7	4	5	4	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

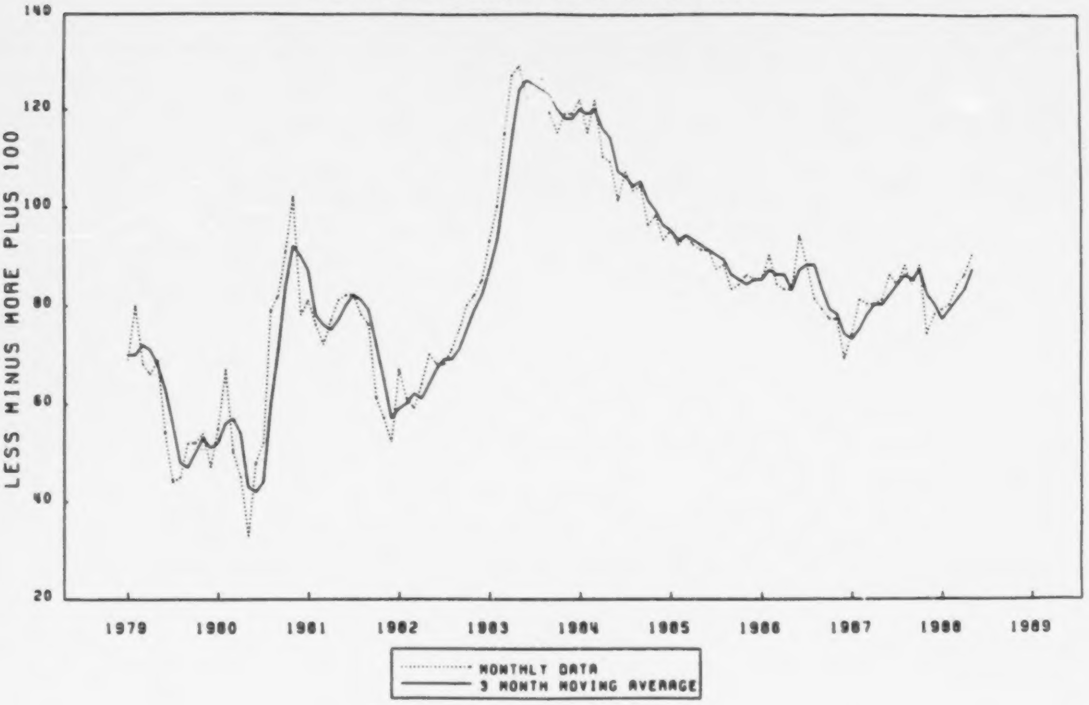


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

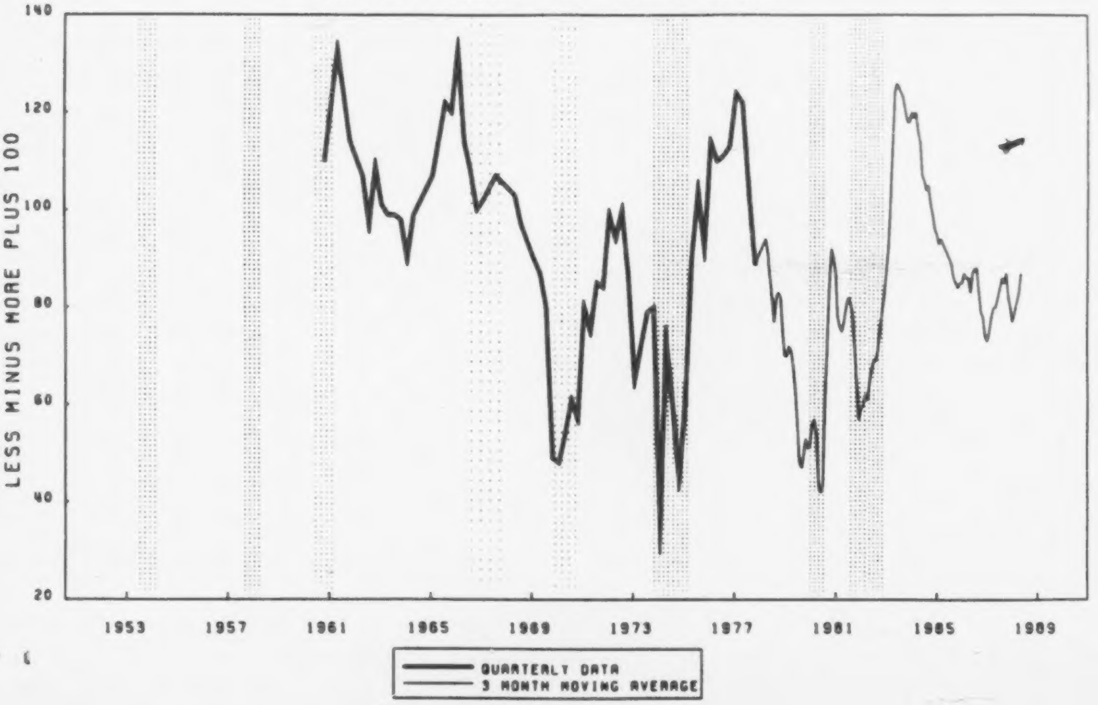


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
LESS	13%	16%	14%	15%	13%	17%	10%	12%	12%	12%	12%	14%	11%
SAME	53	52	55	56	57	52	53	51	54	53	58	56	67
MORE	32	30	30	27	29	29	36	34	33	33	28	28	21
DK,NA	2	2	1	2	1	2	1	3	1	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

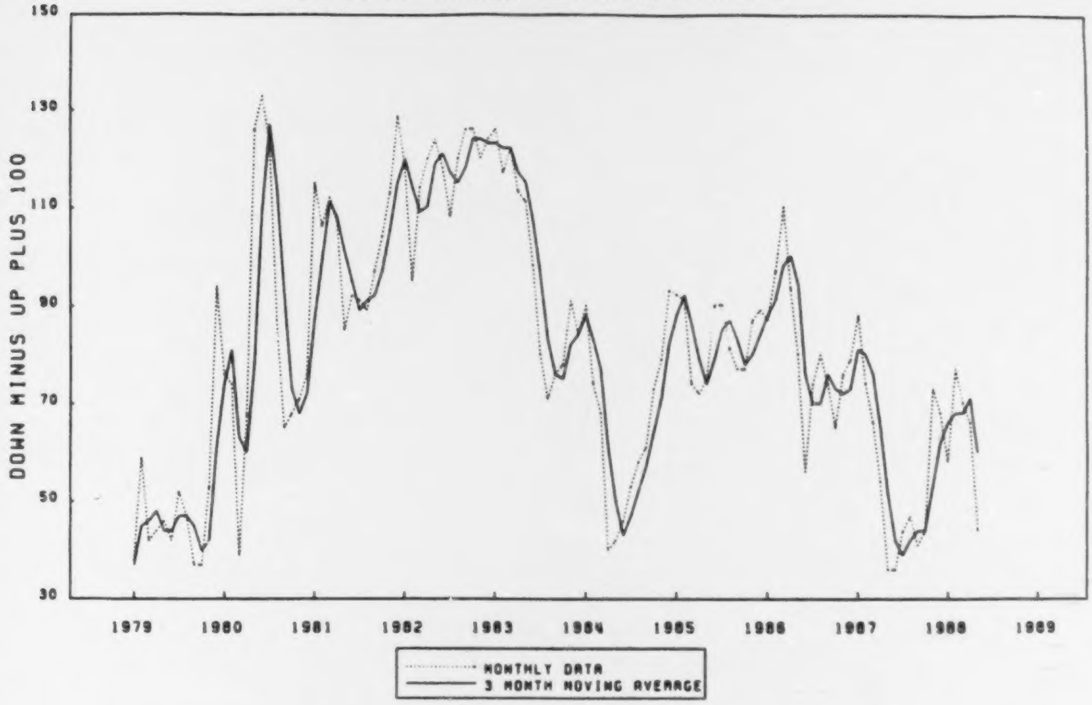


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

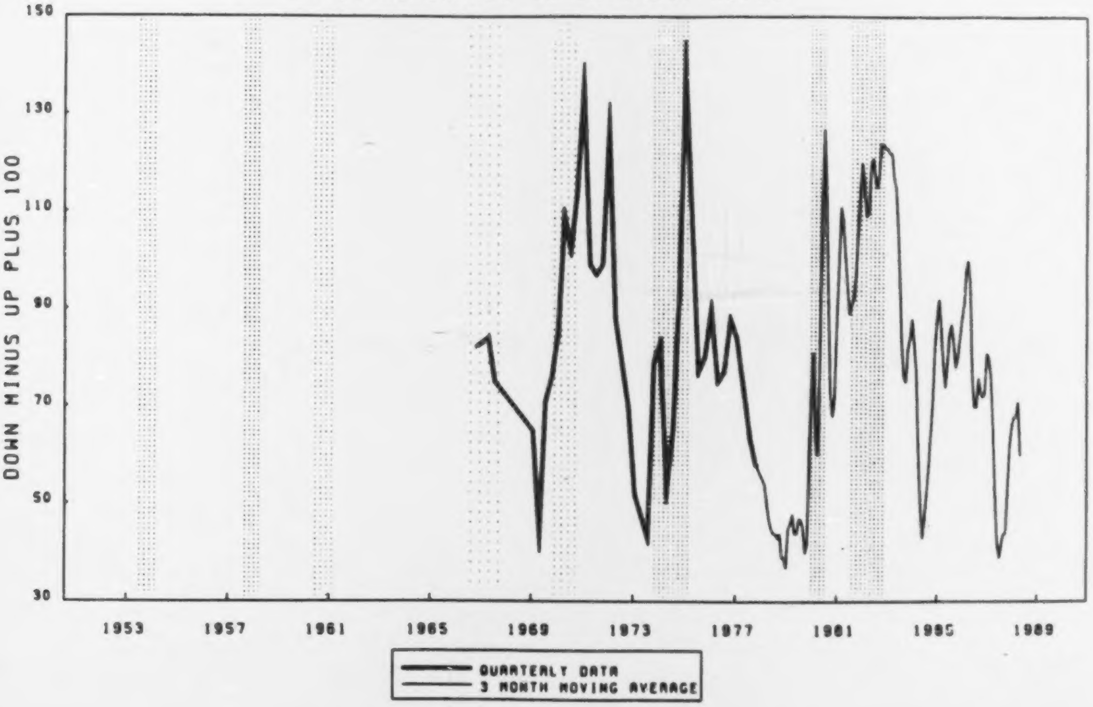


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GO UP	71%	69%	64%	62%	66%	67%	49%	52%	54%	44%	49%	48%	64%
STAY THE SAME	21	24	26	27	24	20	26	26	32	32	29	35	26
GO DOWN	7	5	8	9	7	11	22	20	12	21	19	14	8
DK,NA	1	2	2	2	3	2	3	2	2	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

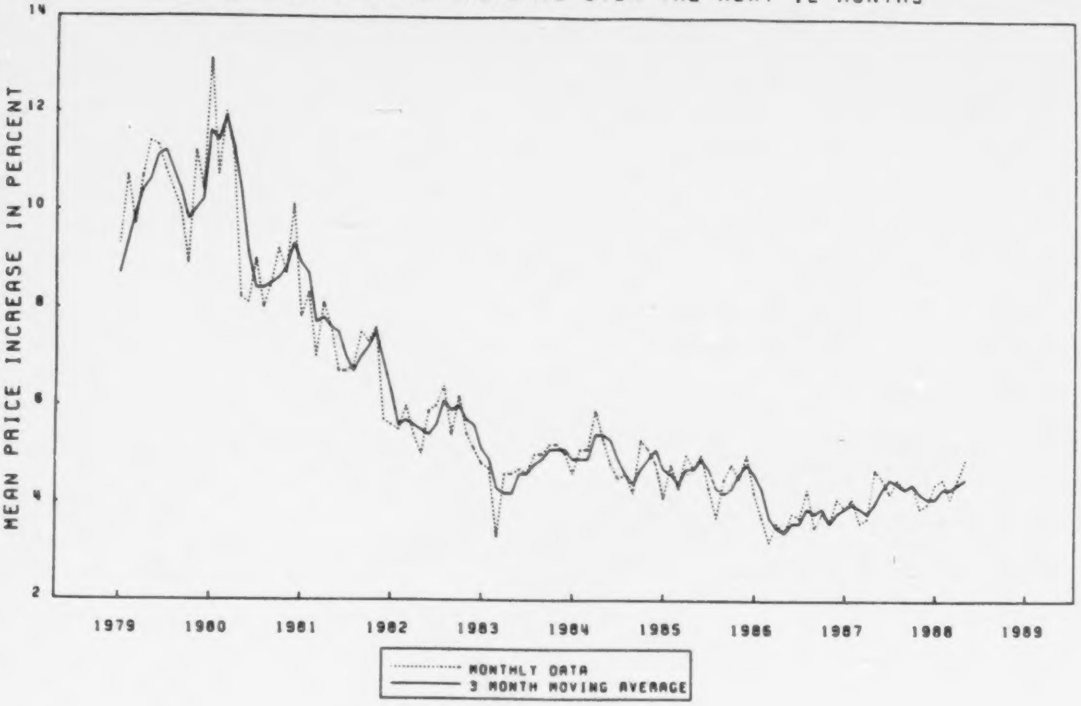


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

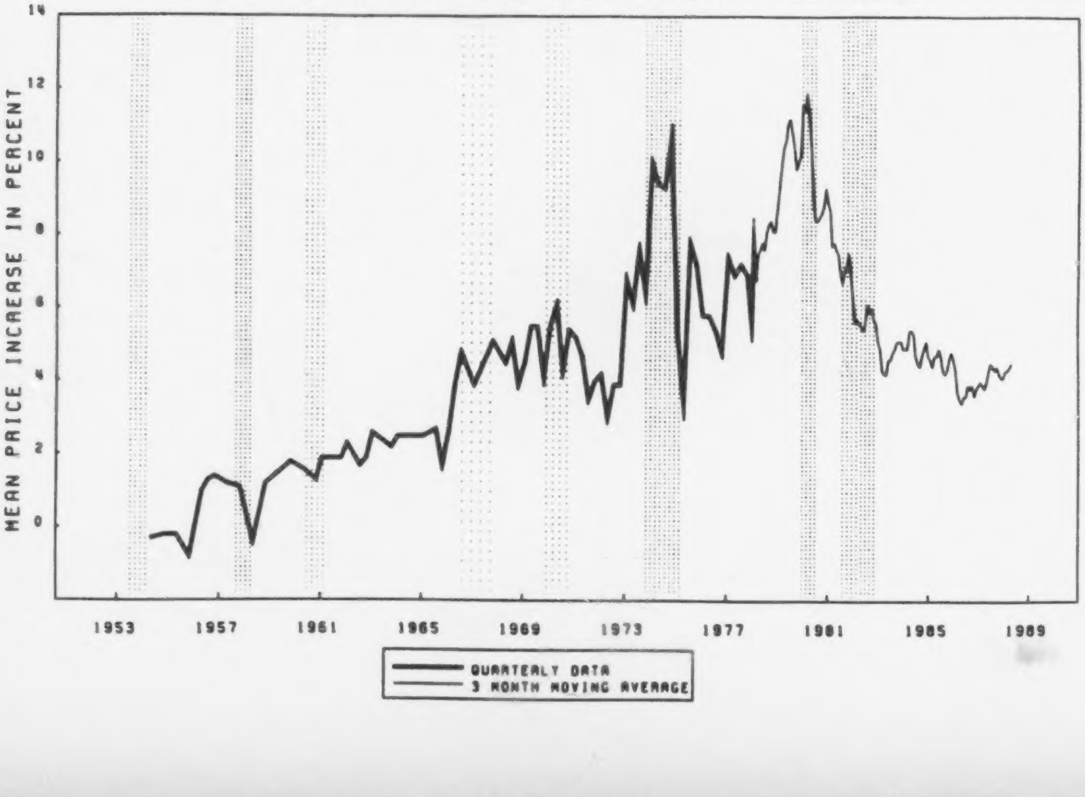


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
SAME OR DOWN	15%	14%	17%	13%	17%	15%	20%	21%	23%	17%	18%	14%	13%
WILL GO UP BY:													
1-2%	18	18	20	20	20	18	16	19	16	21	19	19	19
3-4%	23	25	23	25	24	23	22	21	21	23	24	25	26
5%	18	17	16	17	16	20	20	15	17	16	19	18	18
6-9%	10	7	7	8	6	7	8	8	6	6	6	7	7
10-14%	7	8	9	6	7	8	5	8	7	7	6	7	6
15% or more	4	4	3	4	3	3	4	3	6	5	3	4	6
DK how much up	4	6	4	6	5	5	4	4	3	4	5	5	4
DK,NA	1	1	1	1	2	1	1	1	1	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.7	4.5	4.2	4.5	4.3	4.4	3.9	4.0	4.4	4.5	4.1	4.5	4.9
VARIANCE	36	27	28	32	41	28	25	26	35	40	26	31	41
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

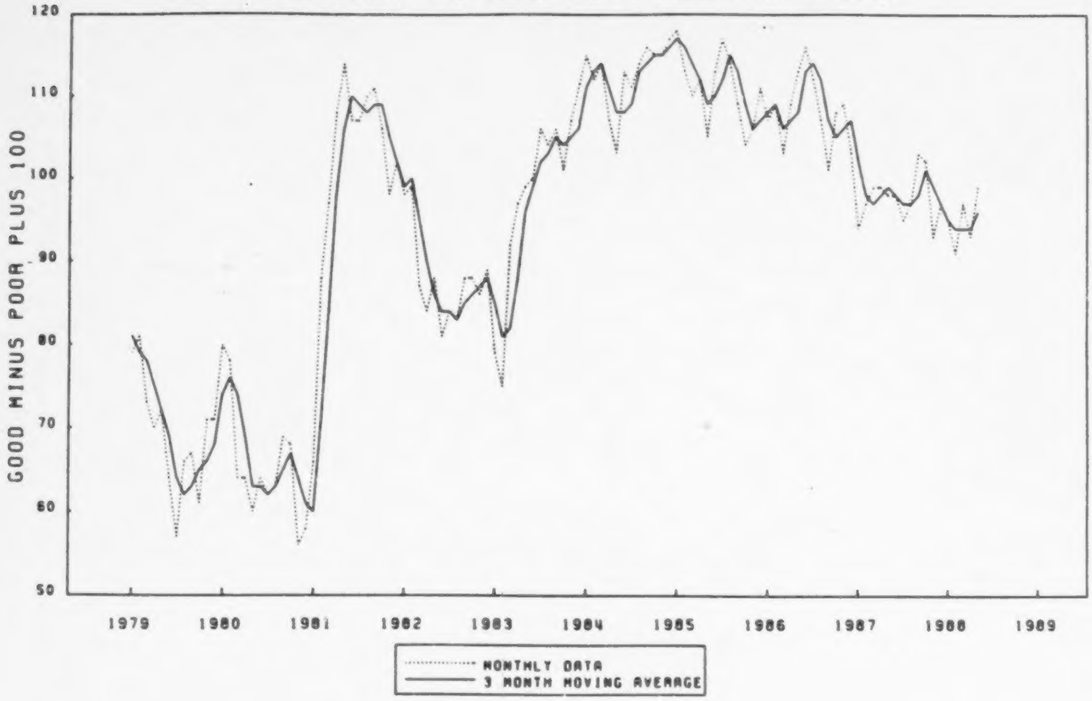


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

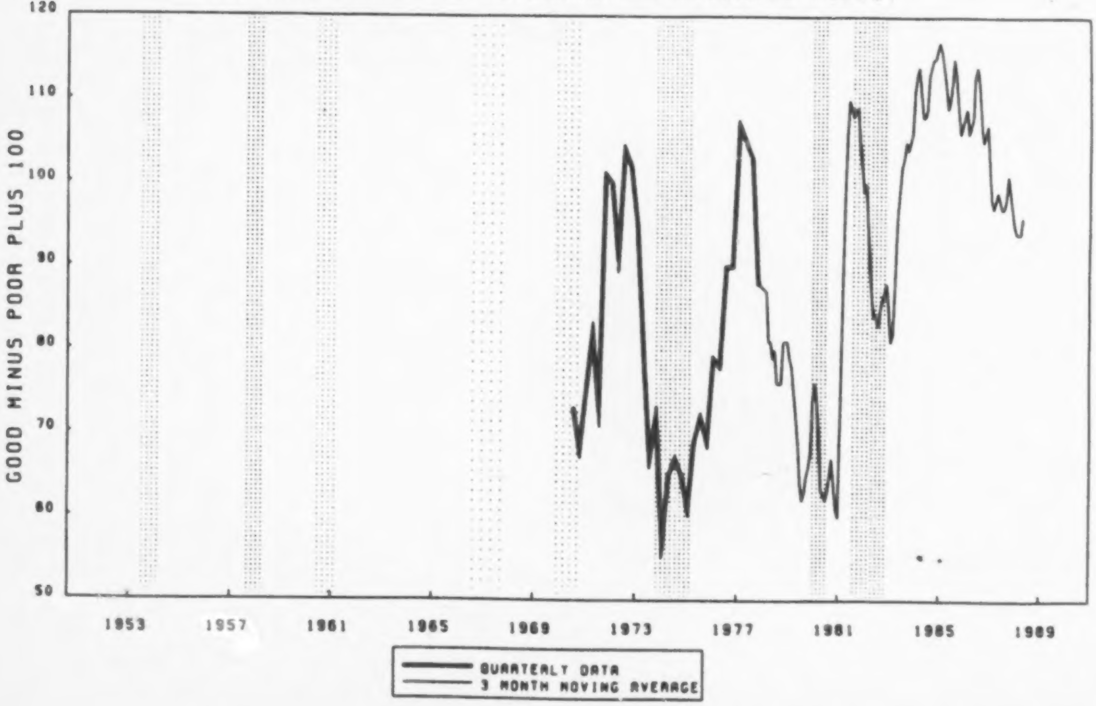


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
A GOOD JOB	21%	23%	21%	23%	23%	25%	18%	19%	17%	18%	23%	18%	21%
ONLY FAIR	55	49	52	48	54	48	54	56	60	53	49	56	56
A POOR JOB	23	25	26	26	20	23	25	22	22	27	26	25	22
DK,NA	1	3	1	3	3	4	3	3	1	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

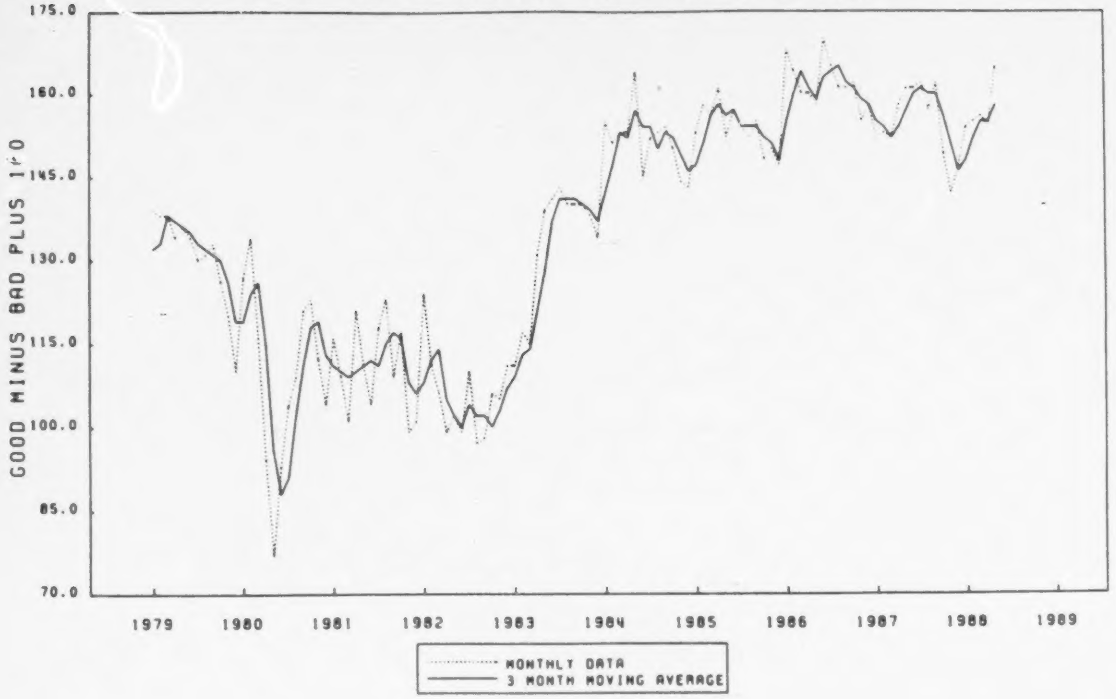


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

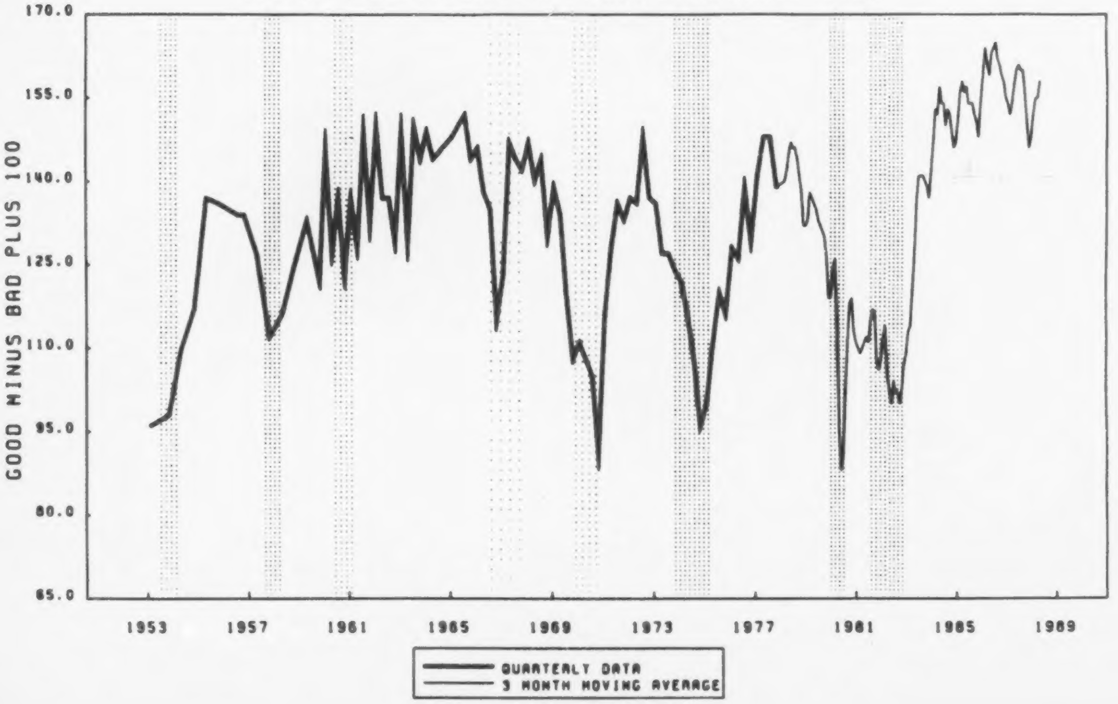


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIME TO BUY	76%	76%	76%	74%	75%	69%	66%	69%	72%	72%	71%	73%	79%
UNCERTAIN, DEPENDS	9	9	10	9	12	11	10	9	10	11	14	8	7
BAD TIME TO BUY	15	15	14	17	13	20	24	22	18	17	15	19	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

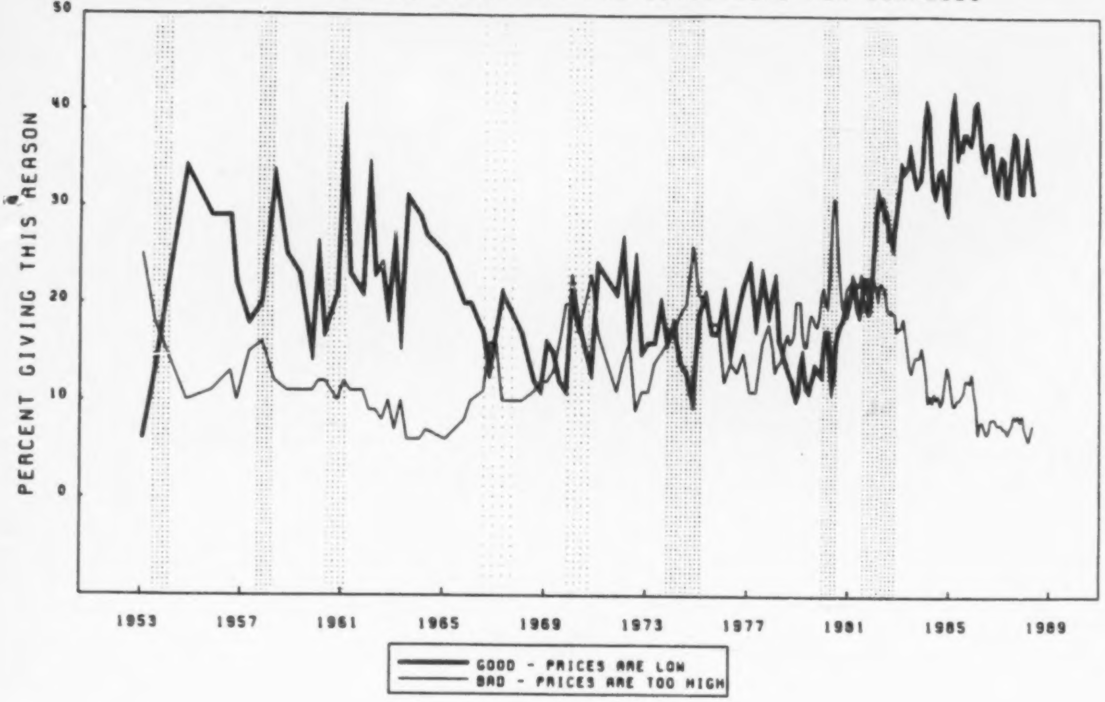


CHART 22B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

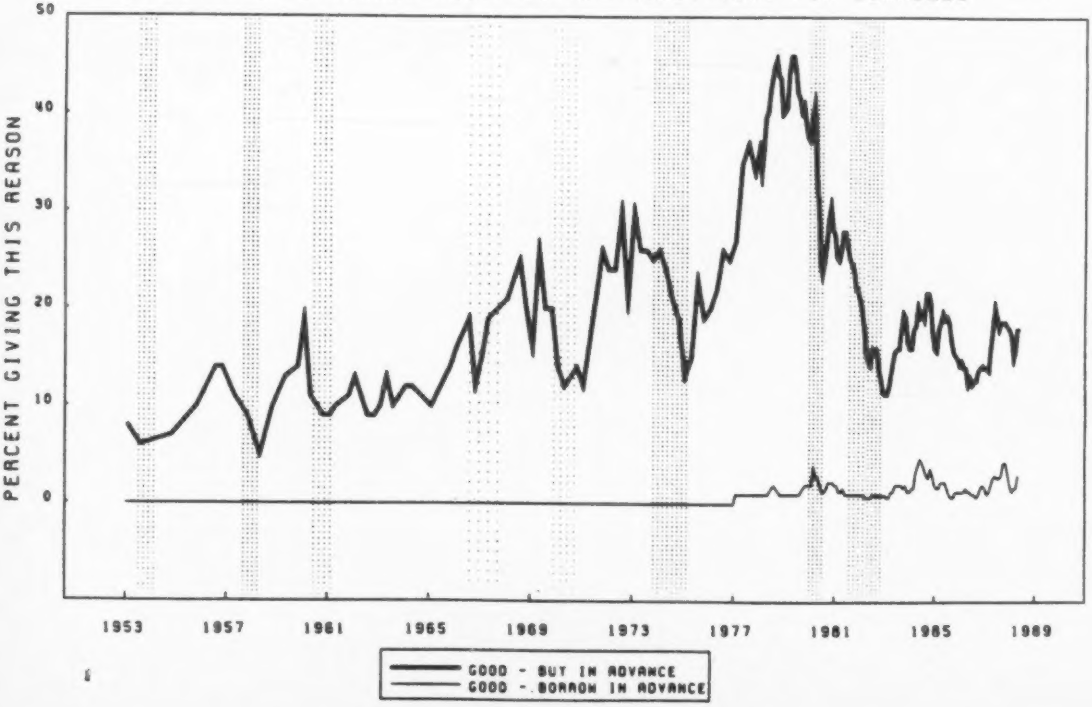


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	38%	37%	38%	37%	28%	30%	37%	37%	36%	33%	32%	30%
Prices won't come down; are going higher	20	21	17	16	23	17	16	22	16	14	15	19	20
Interest rates low	16	12	11	15	11	9	11	8	6	8	10	9	6
Borrow-in-advance rates	3	3	2	3	4	6	3	1	2	1	2	2	5
Times are good; prosperity	6	5	6	6	6	7	4	4	6	7	8	10	7
BAD TIME TO BUY:													
Prices are high	6	9	8	9	8	9	7	10	5	5	8	7	8
Interest rates are high; credit is tight	3	3	3	4	4	4	8	6	4	5	4	4	4
Times are bad; can't afford to buy	3	4	3	5	2	6	4	4	8	6	5	6	3
Bad times ahead; uncertain future	2	2	2	1	1	4	10	5	4	4	2	4	2

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

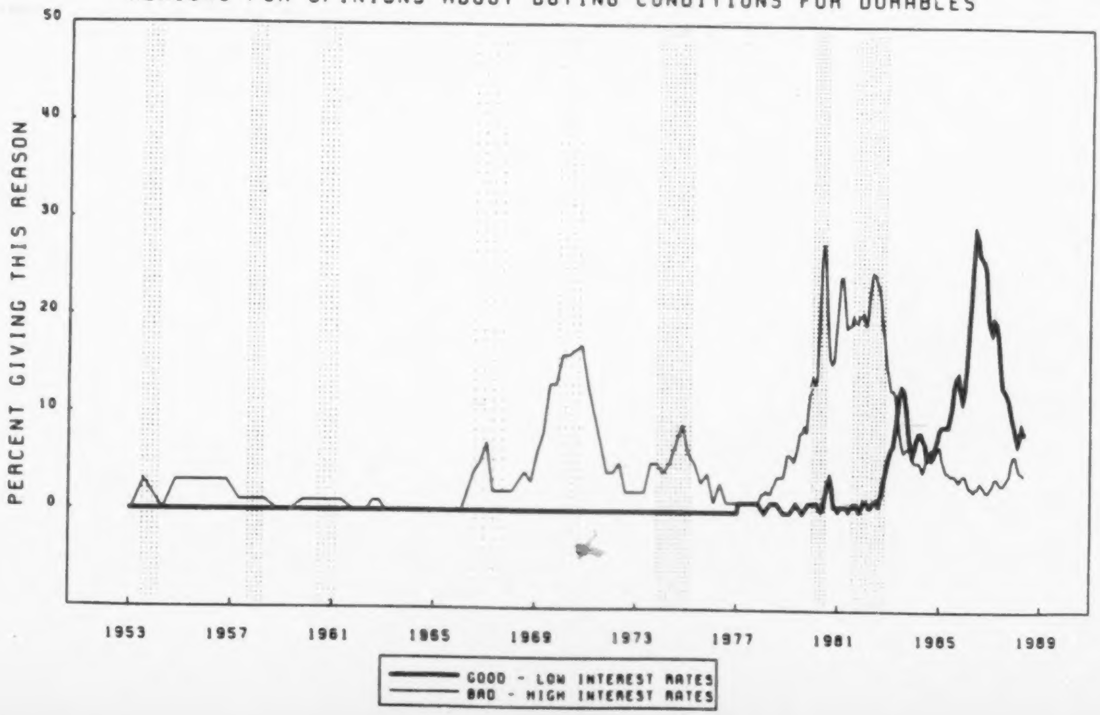


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

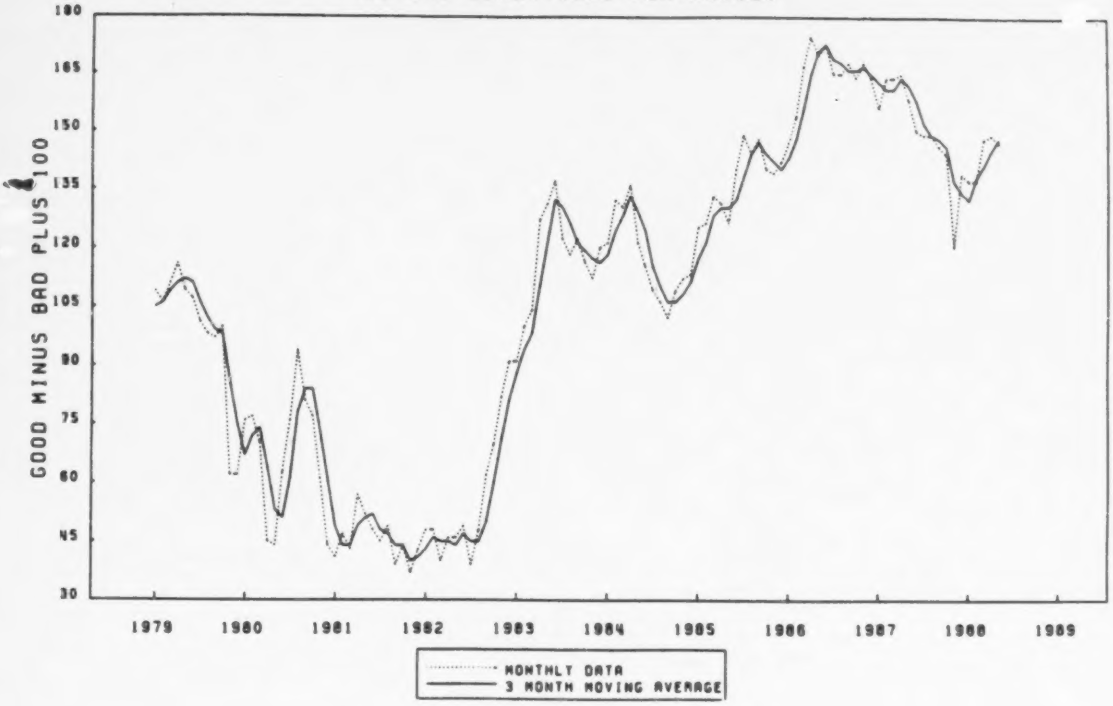


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

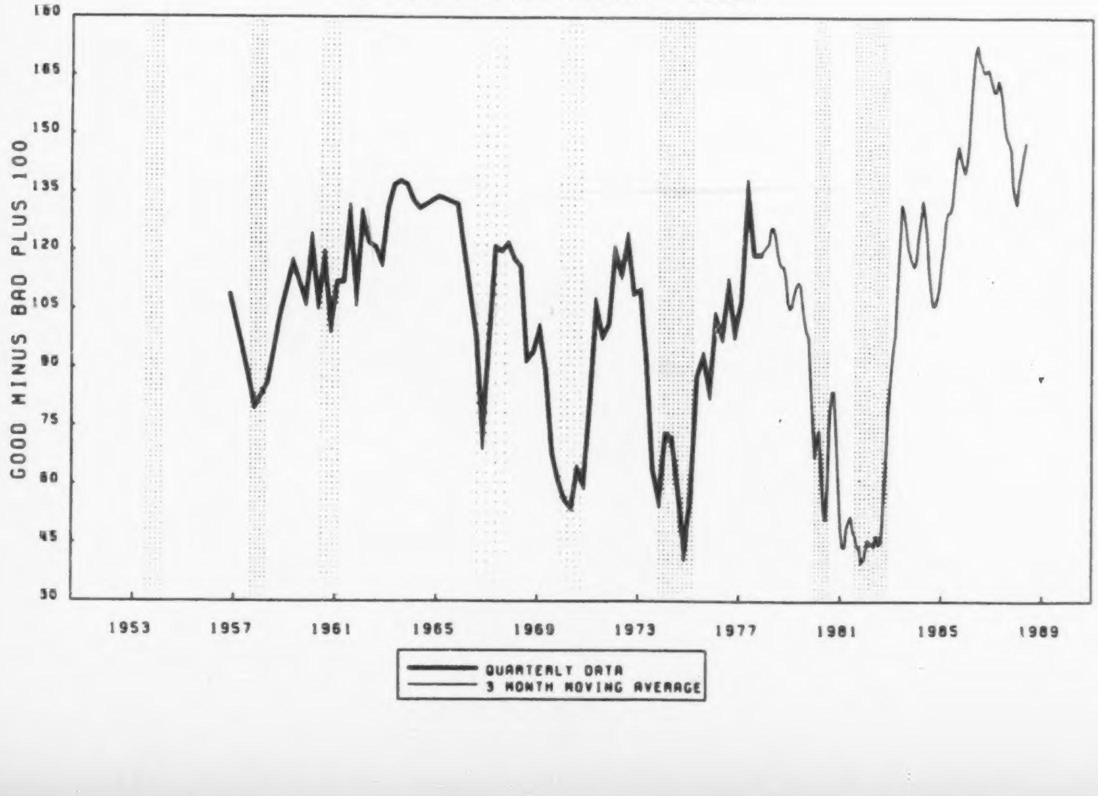


TABLE 23

BUYING CONDITIONS FOR HOUSES

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIME TO BUY	77%	73%	72%	73%	71%	70%	58%	68%	67%	67%	71%	72%	72%
UNCERTAIN, DEPENDS	4	4	5	3	4	4	4	3	3	3	6	5	3
BAD TIME TO BUY	19	23	23	24	25	26	38	29	30	30	23	23	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

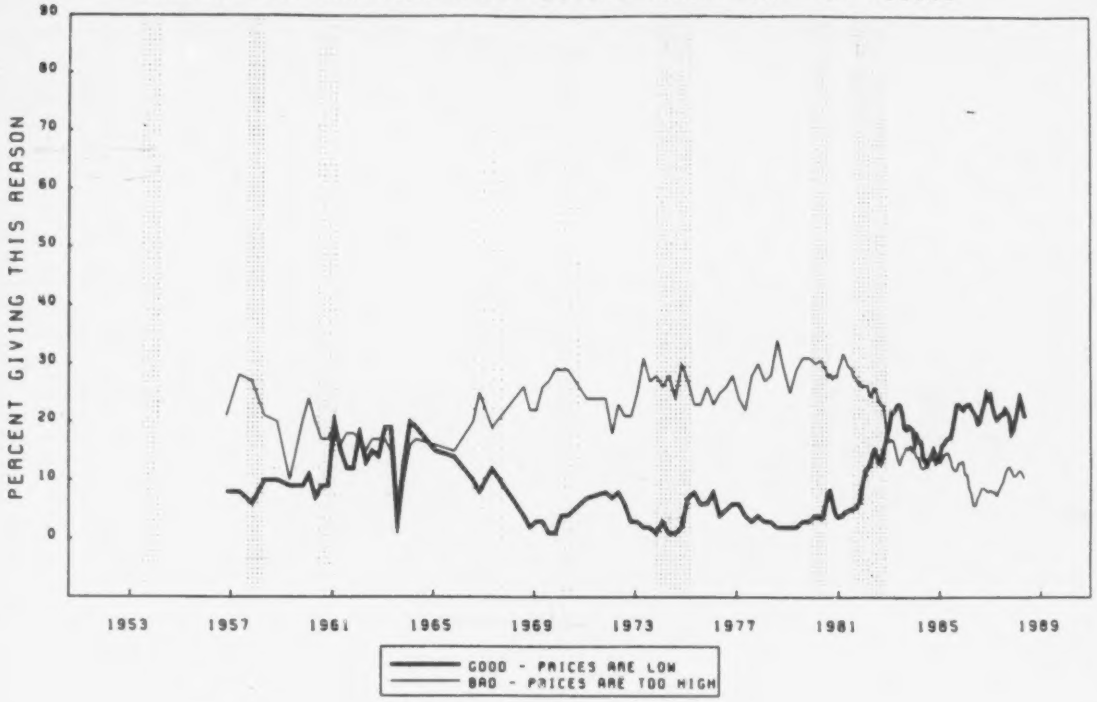


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

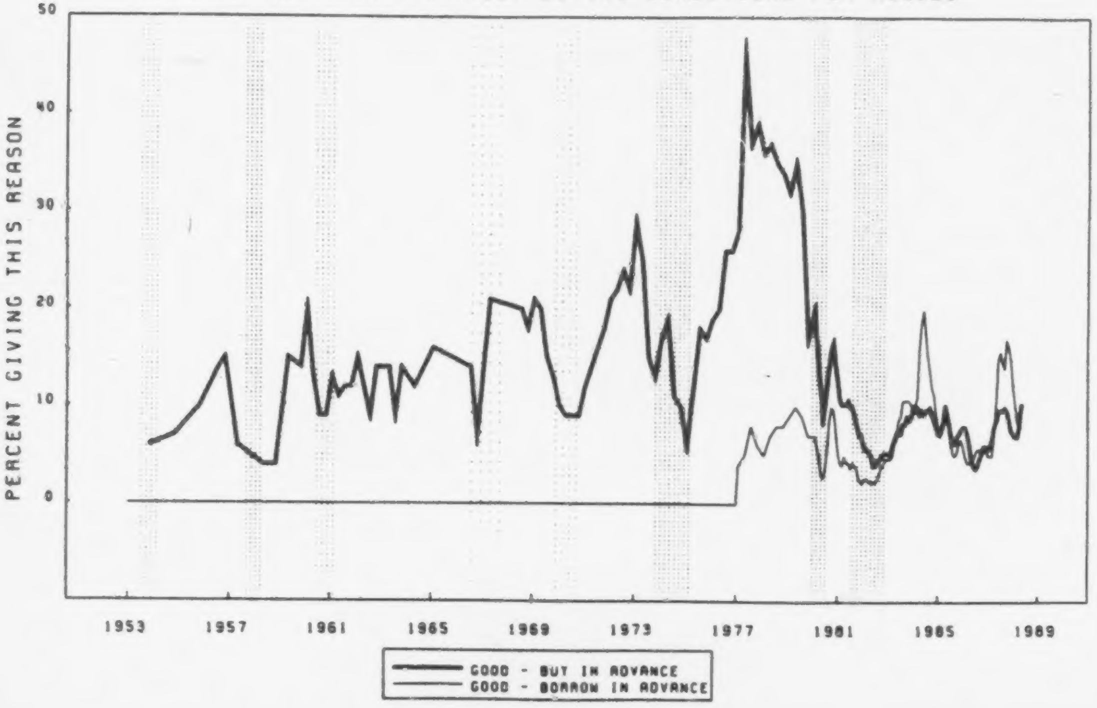


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	21%	21%	25%	19%	19%	16%	21%	24%	22%	27%	20%	16%
Prices won't come down; are going higher	9	11	9	9	12	8	6	9	7	5	9	10	12
Interest rates low	50	45	46	44	37	33	32	40	35	44	47	40	37
Borrow-in-advance rates	16	18	13	13	16	22	11	12	13	6	7	10	14
Good investment	5	5	6	7	7	6	7	9	7	4	6	7	10
Times are good; prosperity	4	2	4	2	5	3	3	3	3	4	4	4	5
BAD TIME TO BUY:													
Prices are high	9	10	10	13	13	11	11	10	11	13	11	10	10
Interest rates are high; credit is tight	9	12	12	10	13	18	19	13	13	15	9	10	12
Times are bad; can't afford to buy	5	5	4	5	5	7	5	7	10	7	8	8	6
Bad times ahead; uncertain future	2	3	1	3	3	4	13	7	5	4	3	4	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

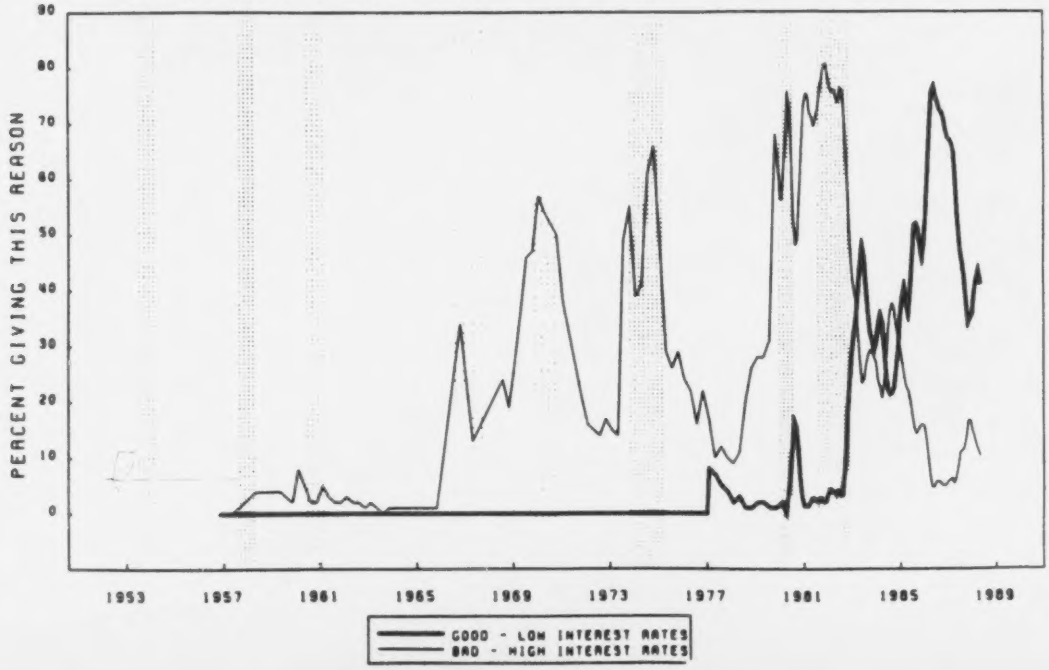


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

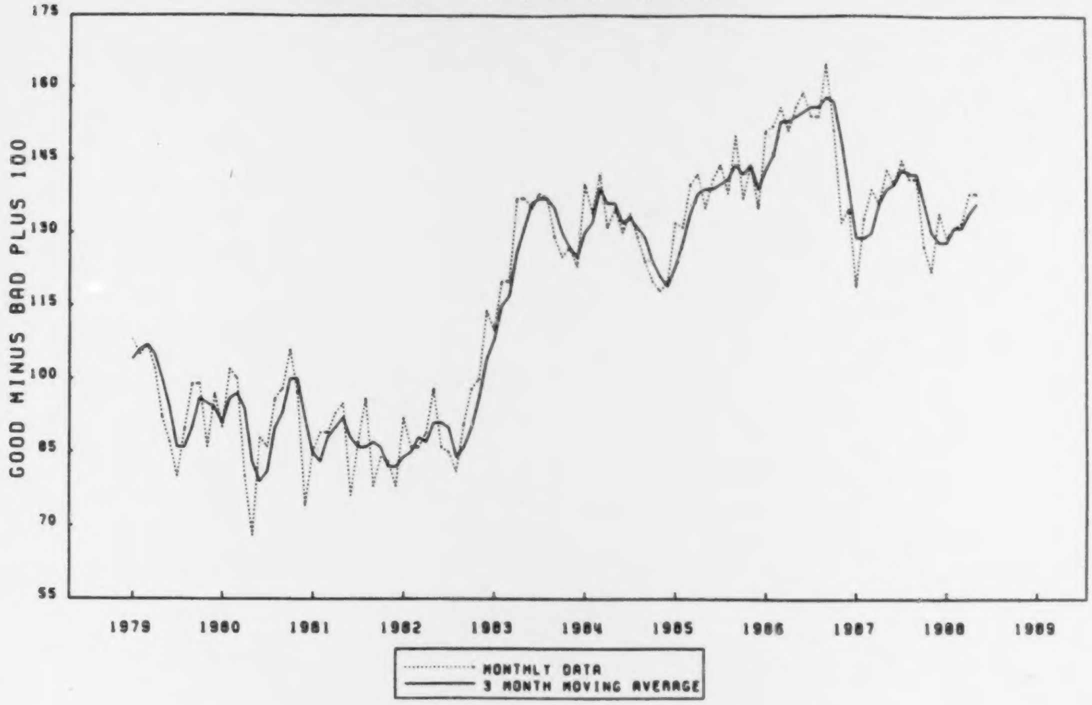


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

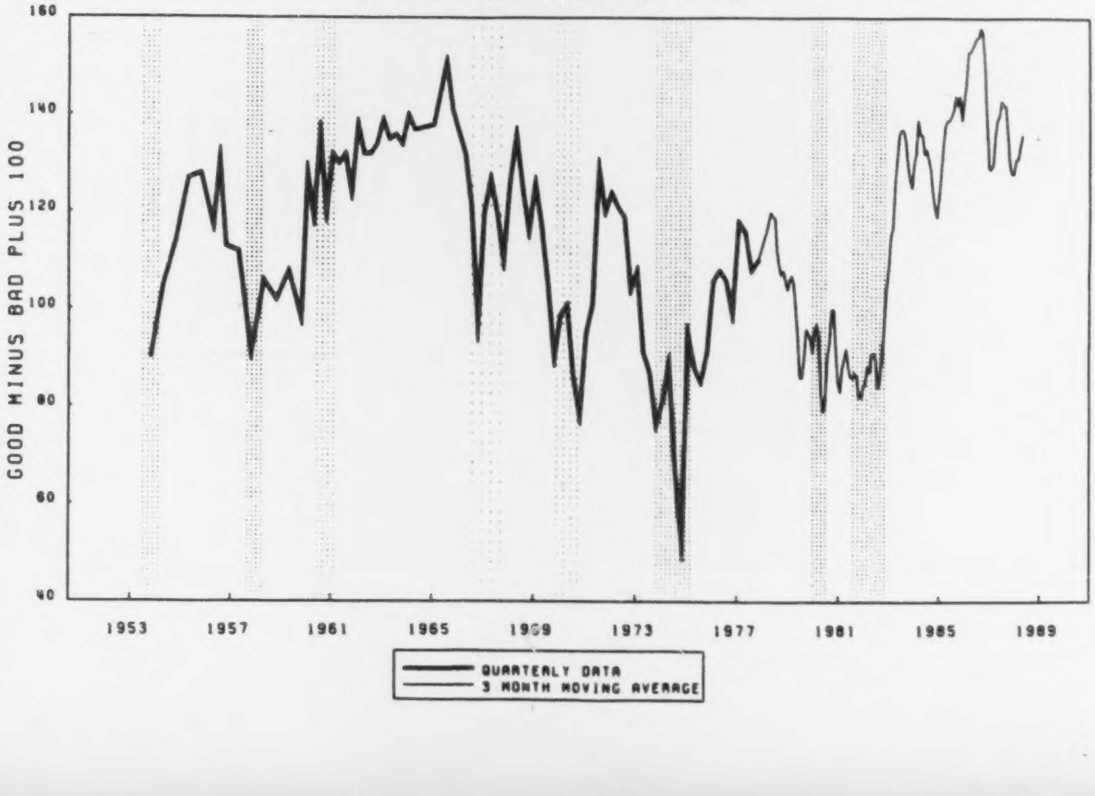


TABLE 25

BUYING CONDITIONS FOR CARS

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIME TO BUY	67%	65%	67%	66%	66%	58%	57%	64%	59%	59%	62%	63%	64%
UNCERTAIN; DEPENDS	9	10	11	9	9	11	8	6	11	13	8	12	10
BAD TIME TO BUY	24	25	22	25	25	31	35	30	30	28	30	25	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	651	654	650	500	501	500	502	500	500	504	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

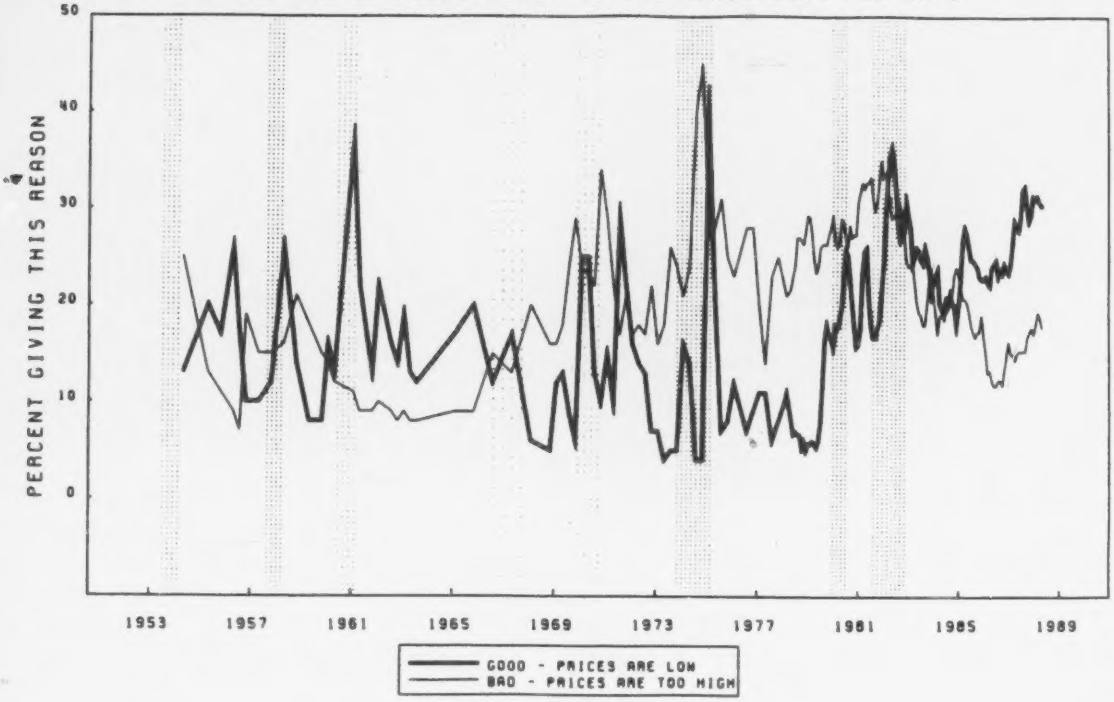


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

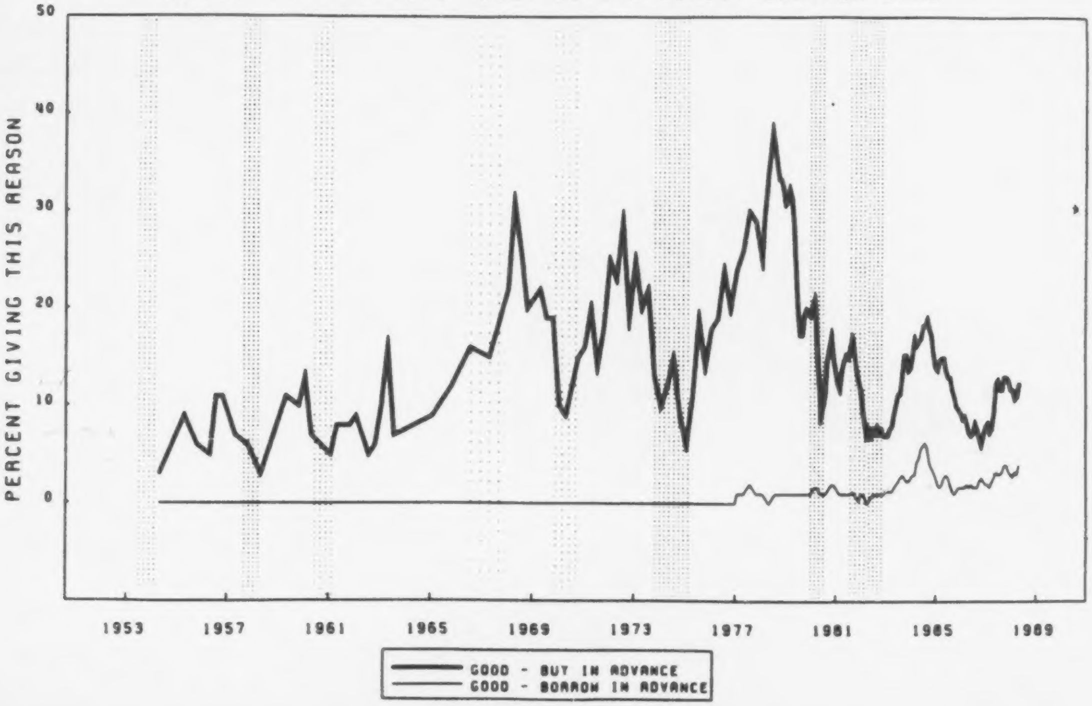


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	27%	28%	32%	36%	29%	26%	31%	31%	32%	30%	32%	30%	29%
Prices won't come down; are going higher	13	15	10	10	15	14	10	14	11	10	11	12	14
Interest rates low	37	35	28	35	36	22	21	21	20	20	20	21	17
Borrow-in-advance rates	3	3	3	3	4	5	3	2	4	2	4	3	5
Times are good; prosperity	2	*	3	2	2	4	2	2	3	3	4	3	4
BAD TIME TO BUY:													
Prices are high	15	16	15	15	16	19	17	17	17	20	21	15	17
Interest rates are high; credit is tight	6	5	5	5	4	7	10	9	5	8	6	6	6
Times are bad; can't afford to buy	3	3	3	3	3	3	4	4	5	4	3	5	3
Bad times ahead; uncertain future	2	1	1	*	1	3	9	4	3	2	2	2	2
Poor selection; quality	3	2	3	5	4	2	2	4	4	3	3	2	2

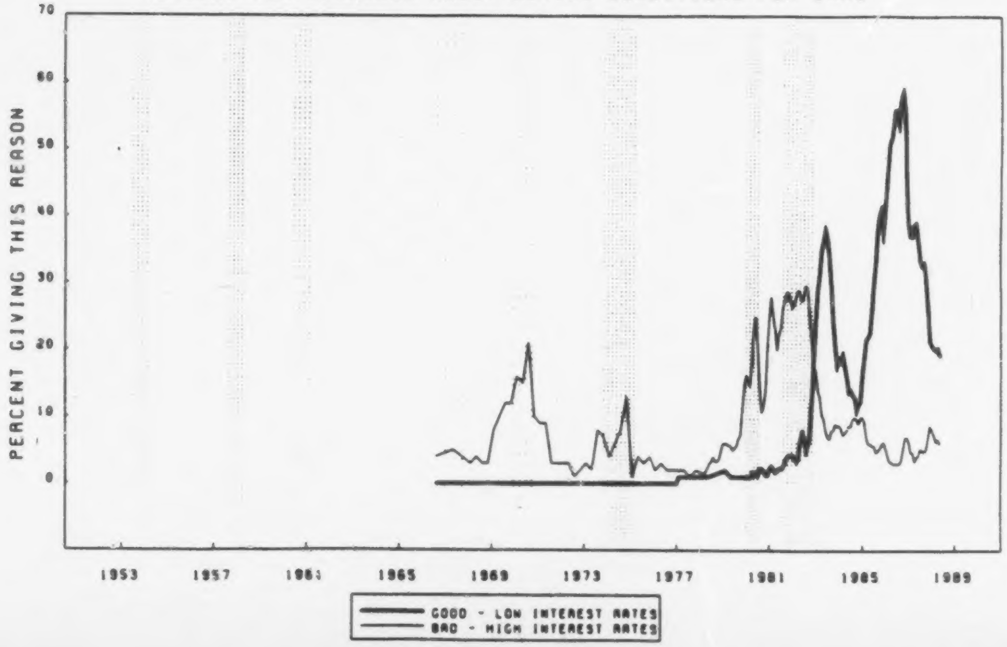
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

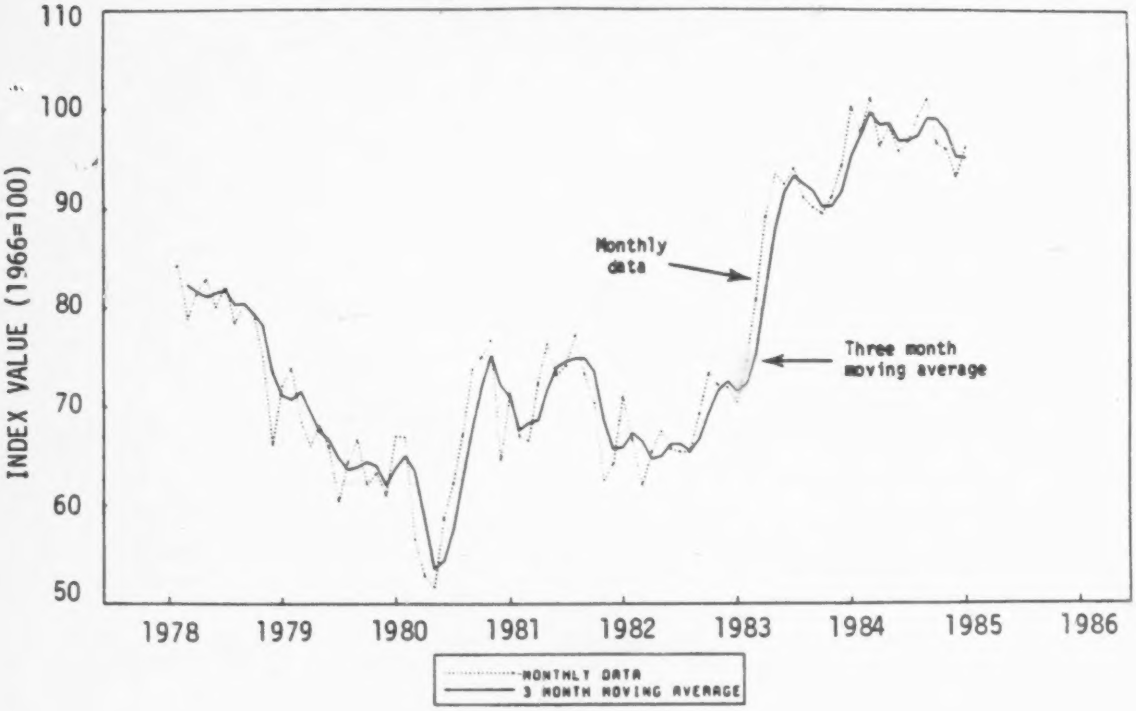
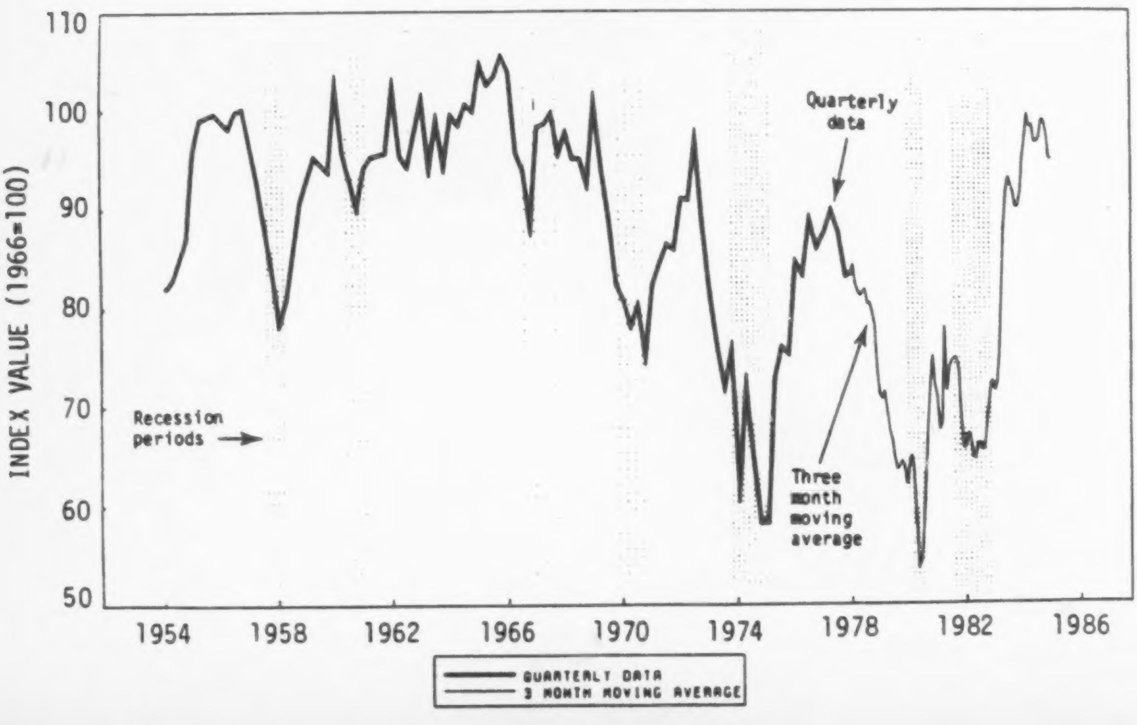


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

U 7475-2

July 1, 1988

JUNE 1988 MONTHLY REPORT

Surveys of Consumers

Richard T. Curtin, *Director*

DROUGHT HEIGHTENS PRICE EXPECTATIONS
OVERALL CONFIDENCE REMAINS STRONG

- The Index of Consumer Sentiment was 94.7 in the June 1988 survey, virtually unchanged from the 94.8 recorded in May, and above the 91.5 recorded last June. While the overall level of consumer confidence remains high, concerns about the potential consequences from the drought have begun to influence consumer's economic expectations. Price expectations have risen sharply, especially in the last half of June. These heightened fears of inflation have only just surfaced, and have not yet been reflected in consumer's overall assessments. If these initial fears of inflation are reinforced in the months ahead, they will quickly erode consumer confidence.

- Among families with incomes of $30,000 or more in the June 1988 survey, the Index fell to 102.3 from 106.6 in May, leaving it just below the year earlier reading of 102.9. Residents of the North Central region recorded the largest decline in the Index in the June survey (91.2, down from 95.5 in May), but was offset by the opposite shift among residents of the South (95.9, up from 91.1 in May).

- In the June 1988 survey, consumers expected the annual rate of inflation to average 5.6% during the year ahead, up from 4.9% one month earlier, and 4.1% three months earlier. This is the highest rate of inflation expected by consumers in more than four years.

- Interest rates were expected to increase during the year ahead by 67 percent of all families in the June 1988 survey, confirming the sharp rise recorded in May. These expectations have now completely reversed the declines recorded following the stock market crash, and are now as unfavorable as they were in the months prior to the crash—69 percent expected interest rate increases in the June 1987 survey.

- These heightened concerns with interest rates have also been reflected in consumer's attitudes towards purchases of homes. Favorable home buying attitudes were held by 73 percent of all families in the June 1988 survey, a reading that has remained largely unchanged during the past three months, and is identical to the year earlier figure. What has changed are the underlying reasons for these opinions. During the past three months references to the current availability of low mortgage interest rates fell to 34 from 47 percent, while references to the appeal of borrowing-in-advance of rising interest rates rose from 7 to 15 percent. At the same time, there has been little change in the frequency of complaints that current mortgage rates were already too high—10 percent in the June 1988 survey, just above the 9 percent recorded three months earlier.

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- In contrast to their reaction to impending interest rate increases, consumers are not likely to react to escalating prices with advance buying. The inflation fears are focused on food prices, not on the prices of homes, vehicles, or major household durables.

- Favorable car buying attitudes were held by 62 percent of all families in the June 1988 survey, just below the month earlier (64 percent) and year earlier figures (65 percent). References to the availability of low interest rates on vehicle loans were reported by 16 percent of all families in June 1988, less than half the 35 percent recorded one year earlier. Unlike home buying attitudes, references to borrowing-in-advance of rising interest rates have not increase in frequency—reported by just 4 percent in June. This reflects the now more common reaction of consumers to wait for renewed discounting by vehicle manufacturers rather than speed up their purchases. The strength in vehicle buying attitudes has been maintained by the continued availability of price discounts—reported by 30 percent in June.

- Personal financial evaluations remained at very favorable levels in the most recent survey. An improved financial situation during the year ahead was expected by 39 percent of all families in June 1988, up from 36 percent one month earlier and 33 percent one year earlier. Just 10 percent of all families expected their financial situation to worsen. These financial expectations have not yet reflected the heightened inflation concerns, and they are very vulnerable to future declines. Throughout this long expansion, the strength of these evaluations has been based on low and stable inflation rates. With the expectation of only small nominal income increases, an acceleration in the rate of inflation will turn what had been small real income gains into losses.

- Just over half of all families in the June 1988 survey expected good times financially in the economy as a whole during the next year, a reading that has remained largely unchanged during the past few months.

• • •

The June 1988 survey was conducted between June 1 and June 27, 1988 and included 500 completed interviews.

7/6/88

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SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

JUNE 1988

The June 1988 survey was the 239th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

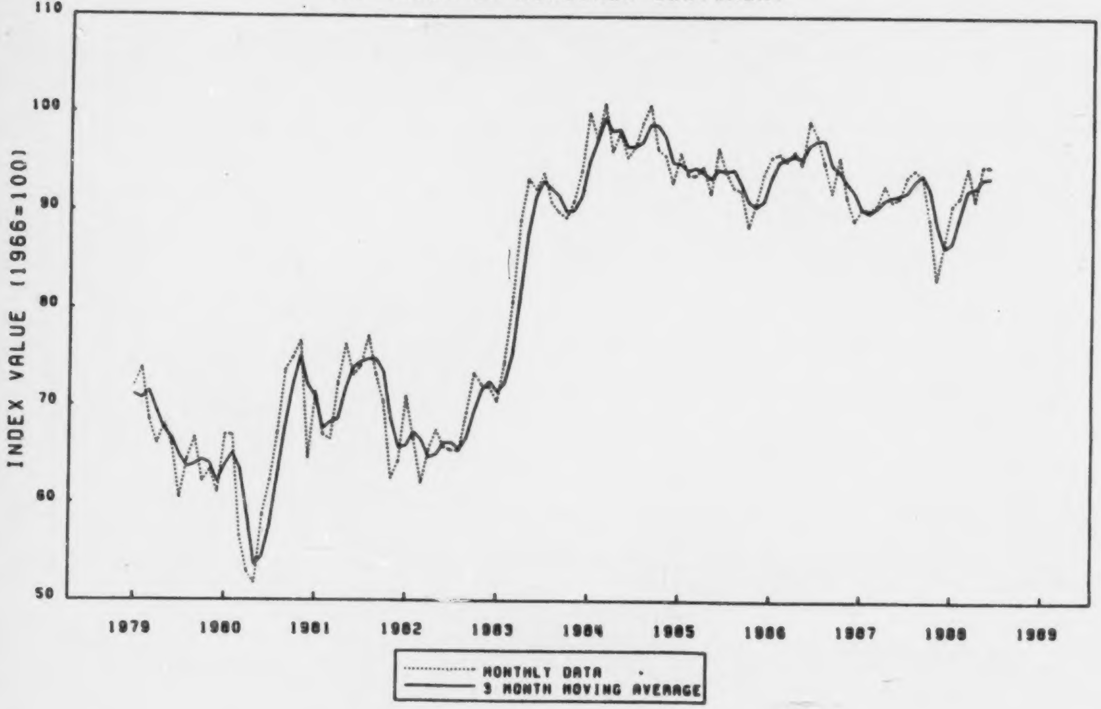


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

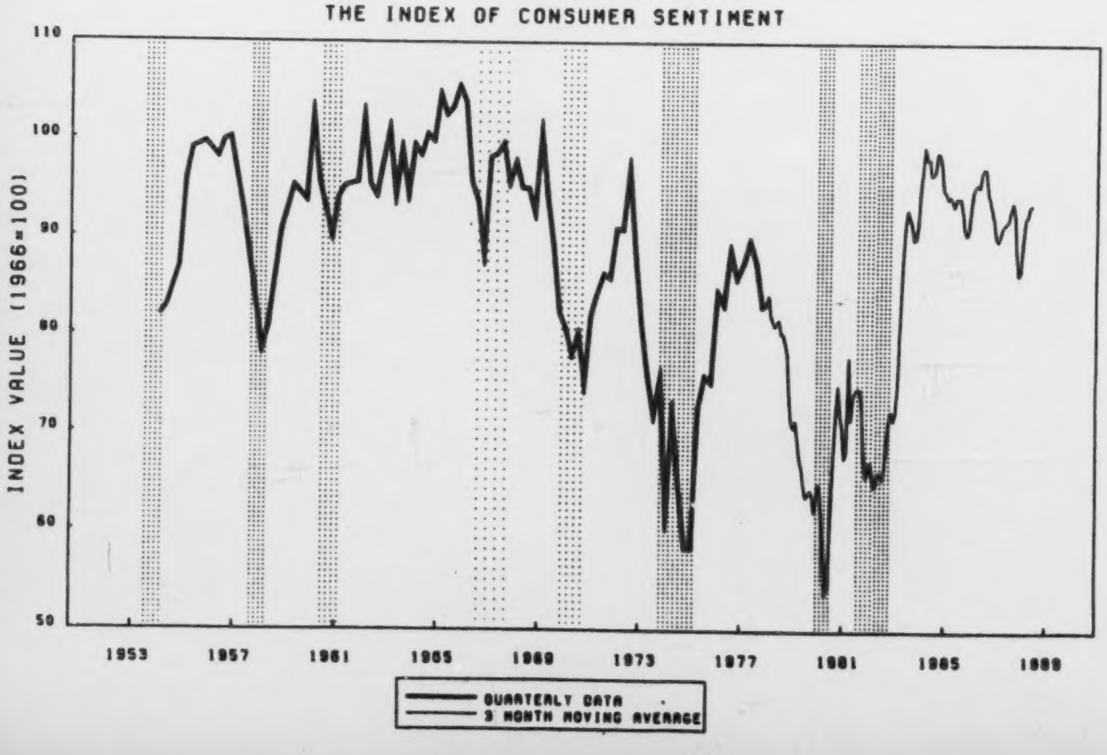


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

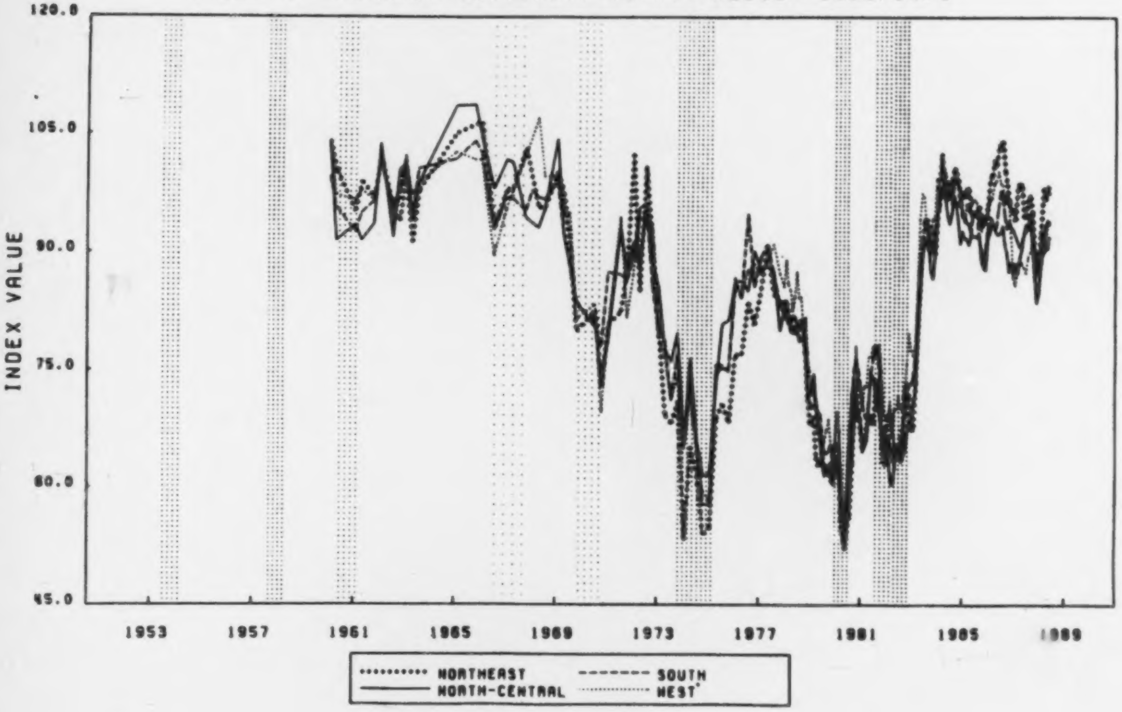


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

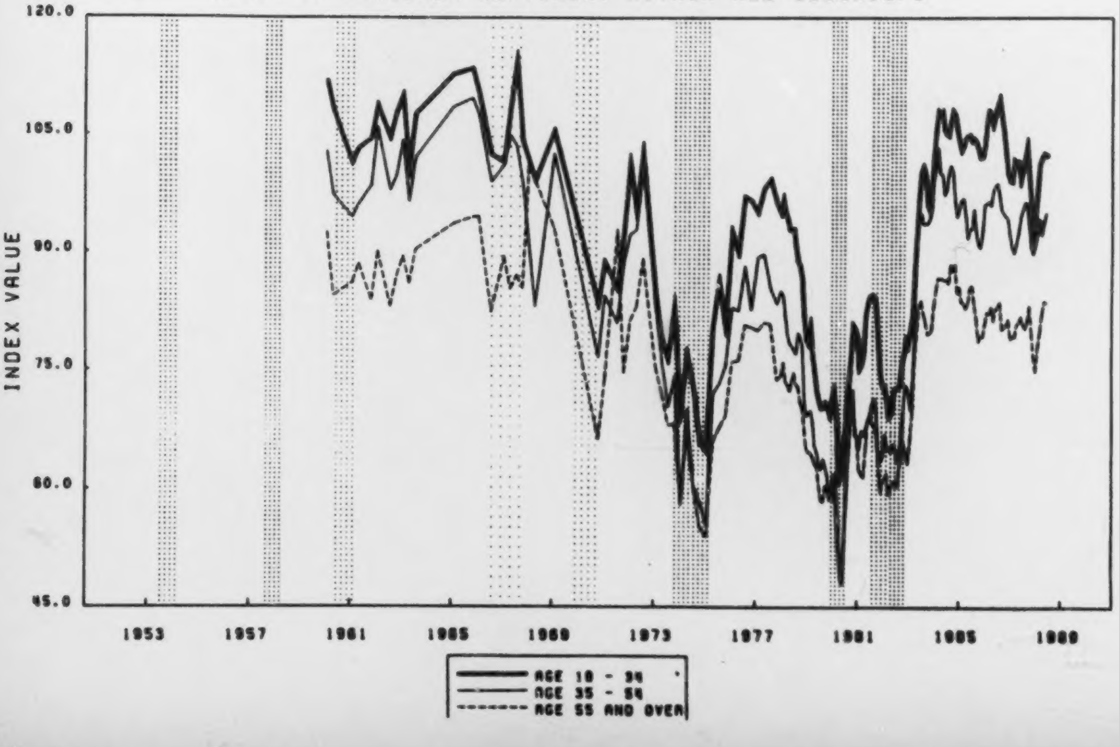


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July 1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August 1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September 1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October 1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

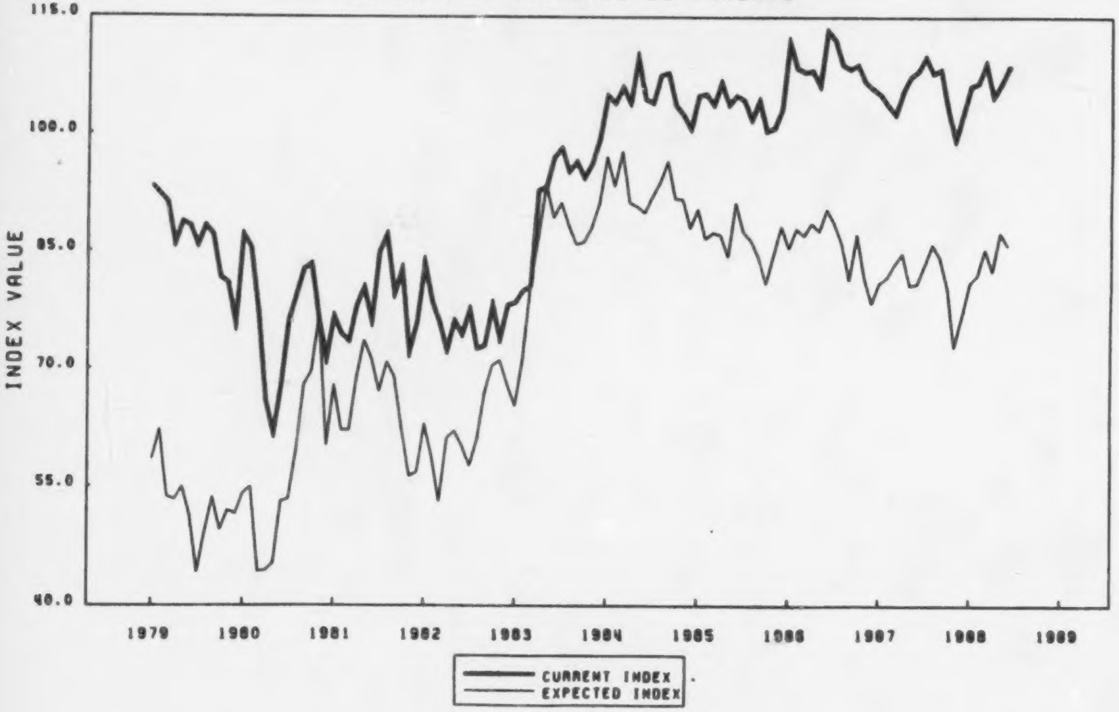


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

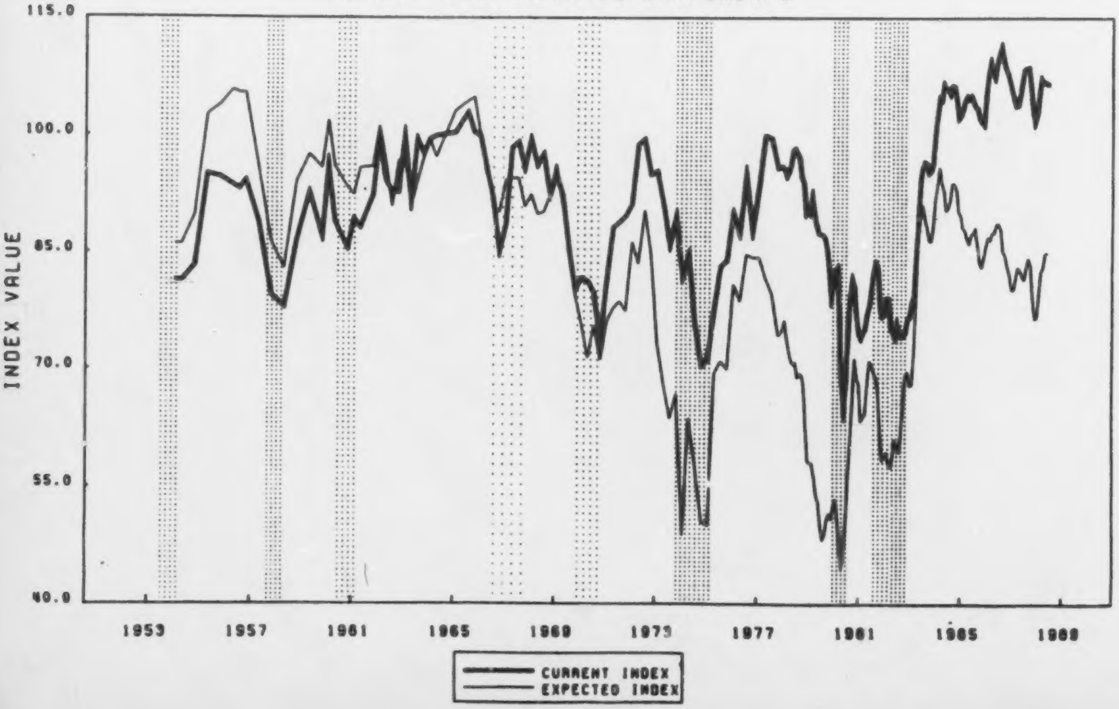


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
June	1985	115	127	133	106	157	104.9	91.1
July	1985	116	124	129	98	154	104.3	87.4
August	1985	112	123	125	99	152	101.8	86.3
September	1985	116	124	118	96	155	104.3	84.2
October	1985	111	123	111	90	148	100.3	80.8
November	1985	111	124	120	96	150	100.7	84.5
December	1985	120	124	127	103	147	103.1	88.1
January	1986	122	123	126	93	168	111.8	85.3
February	1986	117	123	132	98	164	108.4	87.8
March	1986	120	124	129	96	160	107.9	86.9
April	1986	120	128	133	94	160	108.1	88.5
May	1986	117	129	131	92	158	106.2	87.5
June	1986	124	127	136	100	170	113.3	90.3
July	1986	126	130	131	94	165	112.1	88.5
August	1986	121	128	123	94	161	108.9	85.9
September	1986	120	127	115	84	161	108.3	81.3
October	1986	120	127	124	99	162	108.9	87.1
November	1986	121	121	120	87	155	106.7	81.6
December	1986	116	127	104	83	158	105.8	78.3
January	1987	120	130	117	77	152	105.1	80.9
February	1987	115	126	117	84	153	103.7	81.6
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6
June	1987	120	122	113	89	161	108.1	80.8
July	1987	123	123	118	94	162	109.9	83.3
August	1987	122	127	125	93	157	107.8	85.8
September	1987	119	124	122	92	162	108.3	84.2
October	1987	118	128	105	90	149	103.1	80.4
November	1987	115	118	93	80	142	99.3	72.7
December	1987	119	120	98	89	147	102.7	76.7
January	1988	122	131	110	84	154	106.2	80.9
February	1988	122	130	108	90	155	106.6	81.9
March	1988	127	133	114	96	156	109.1	85.2
April	1988	117	125	117	89	154	104.8	82.4
May	1988	111	127	125	98	165	106.5	87.3
June	1988	119	129	121	95	163	108.6	85.7

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

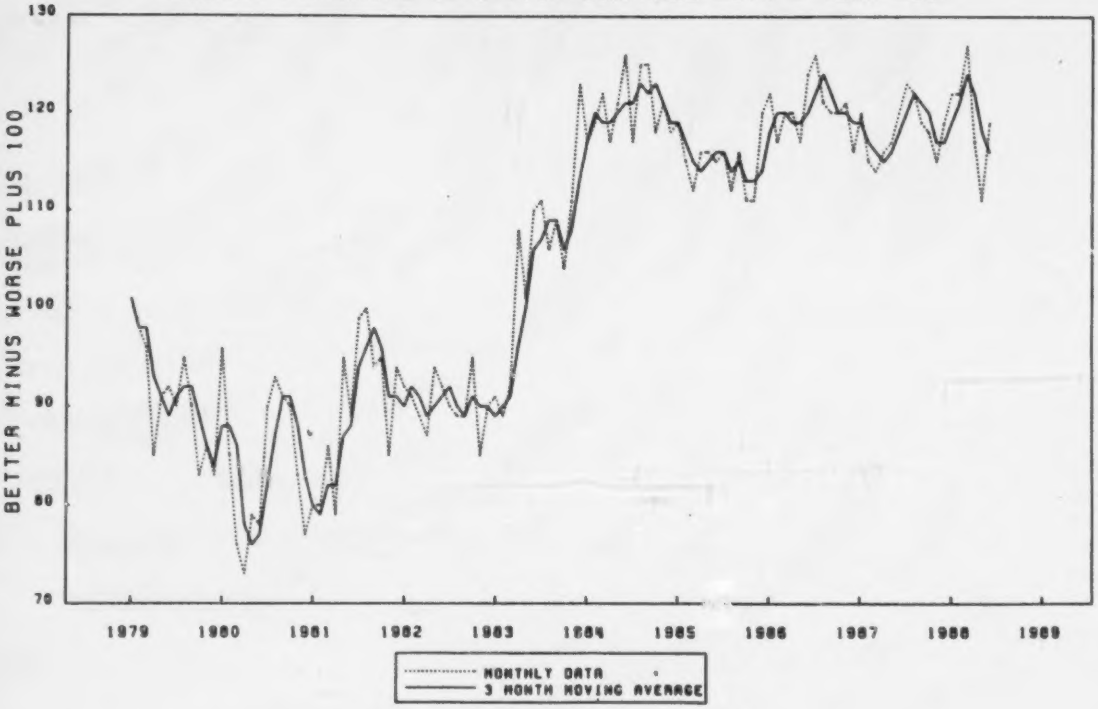


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

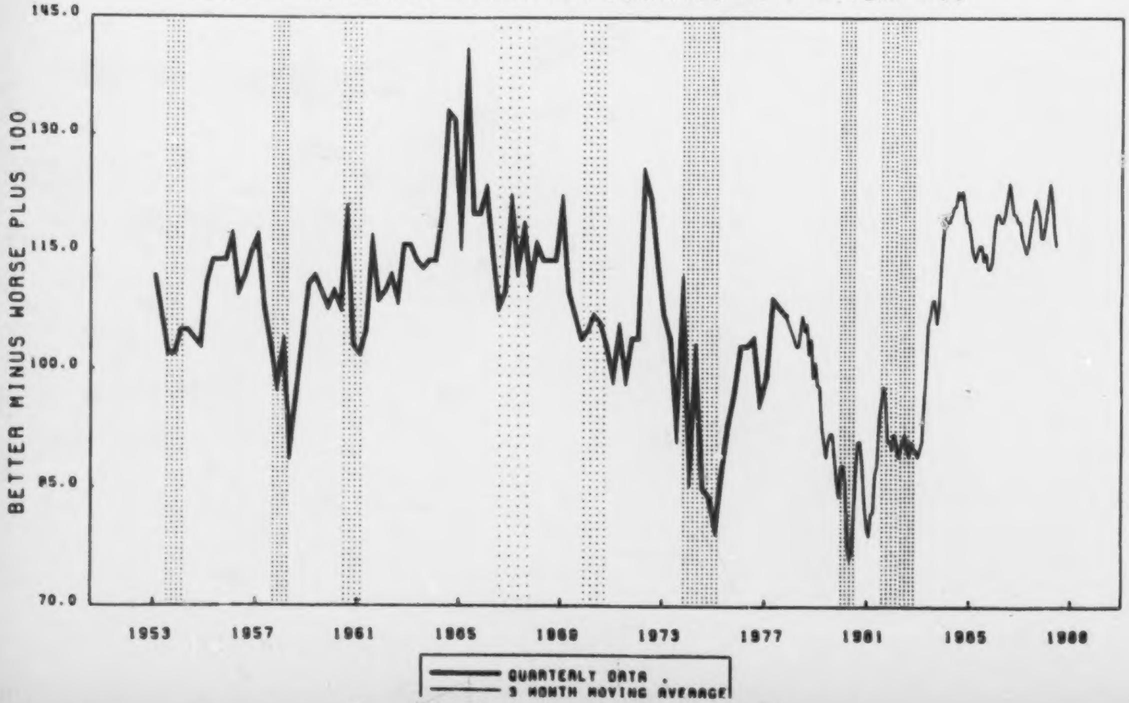


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
BETTER OFF	44%	45%	45%	42%	43%	42%	43%	46%	47%	49%	41%	40%	43%
SAME	32	32	32	34	32	31	33	29	27	29	34	31	32
WORSE OFF	24	22	23	23	25	27	24	24	25	22	24	29	24
DK,NA	*	1	*	1	*	*	*	1	1	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

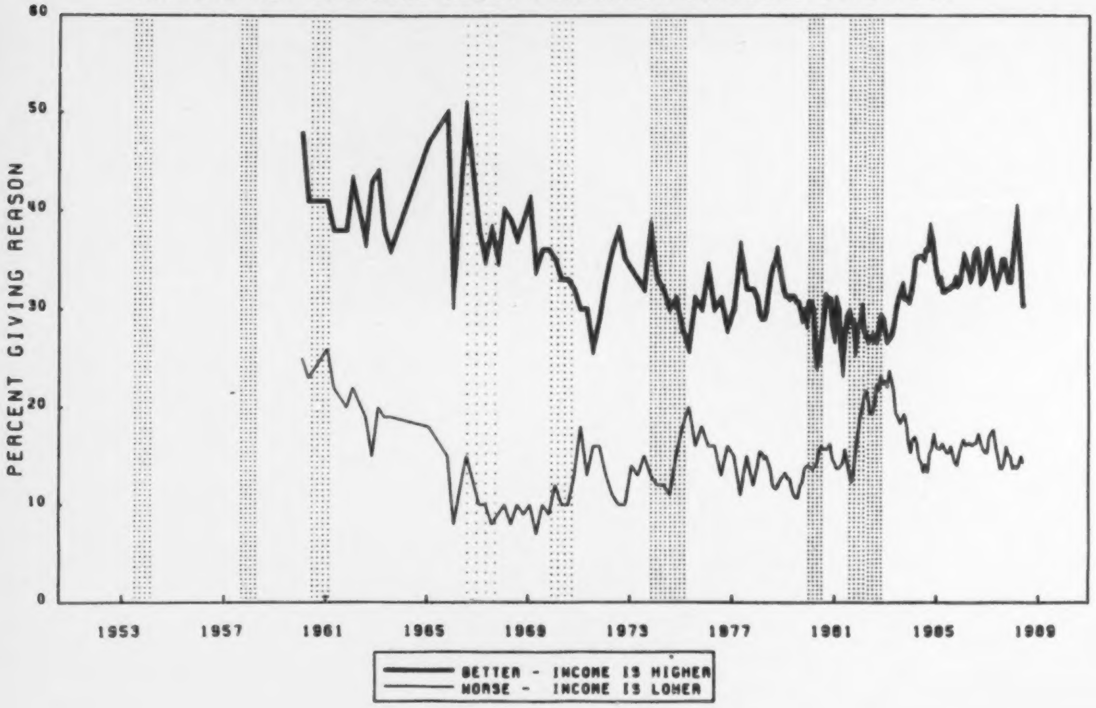


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

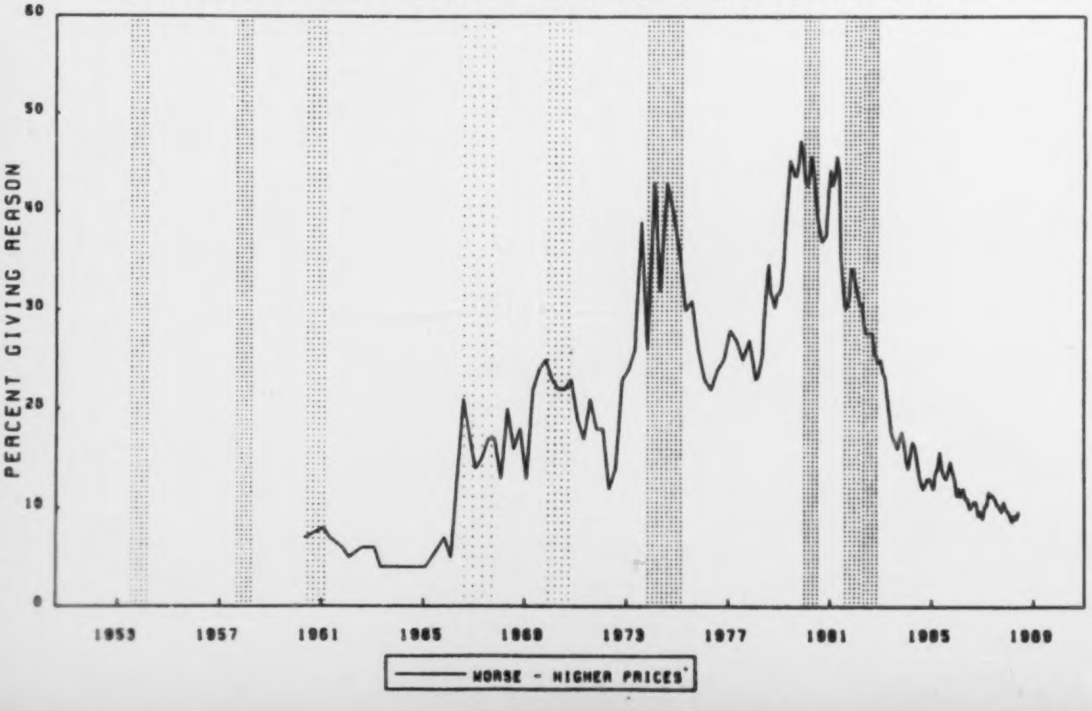


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	36%	36%	33%	32%	33%	33%	39%	39%	40%	30%	29%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	12	15	16	17	12	16	13	13	15	14	16	13
Higher prices	12	10	9	12	8	12	10	7	11	8	9	10	10

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

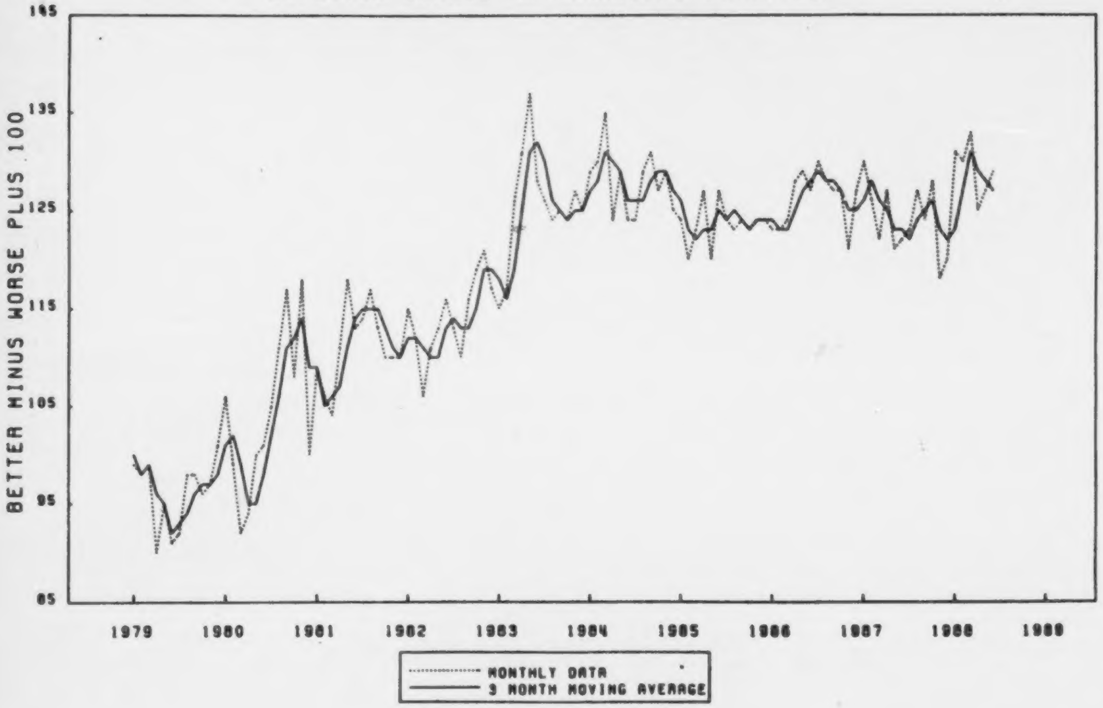


CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

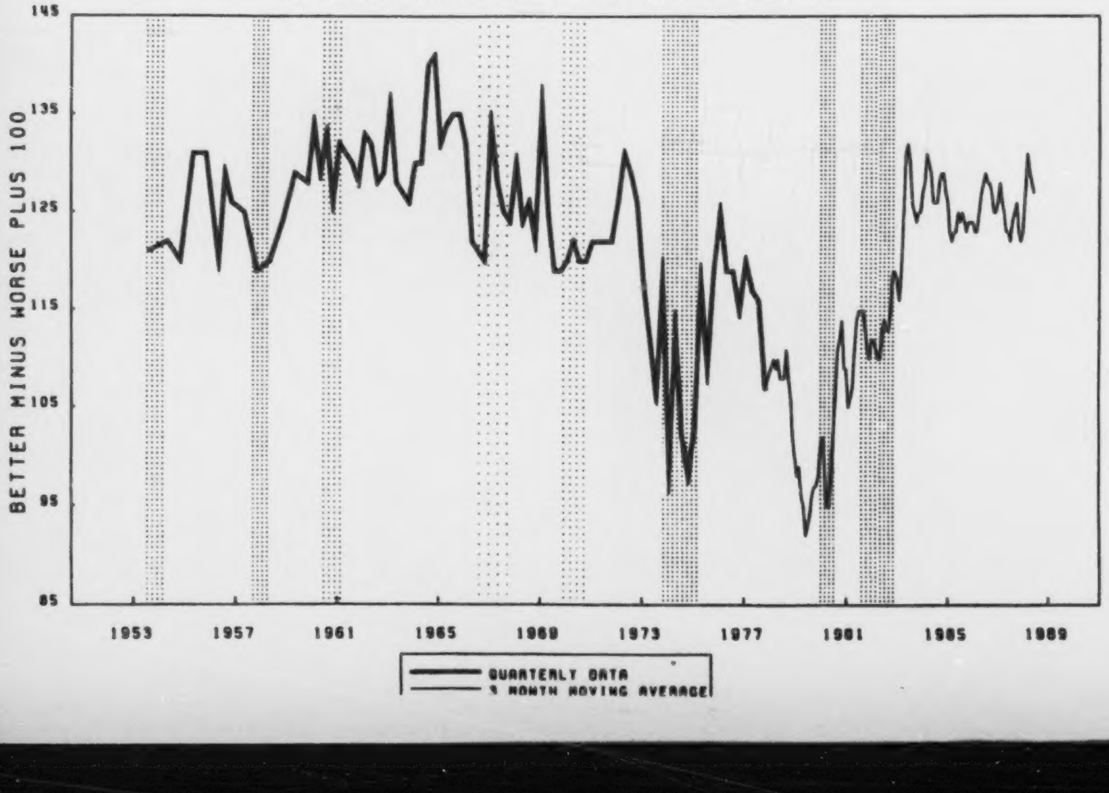


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
BETTER OFF	33%	34%	39%	35%	37%	33%	32%	38%	39%	39%	34%	36%	39%
SAME	53	52	46	49	51	49	51	53	48	52	54	52	48
WORSE OFF	11	11	12	11	9	15	12	7	9	6	9	9	10
DK,NA	3	3	3	5	3	3	5	2	4	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

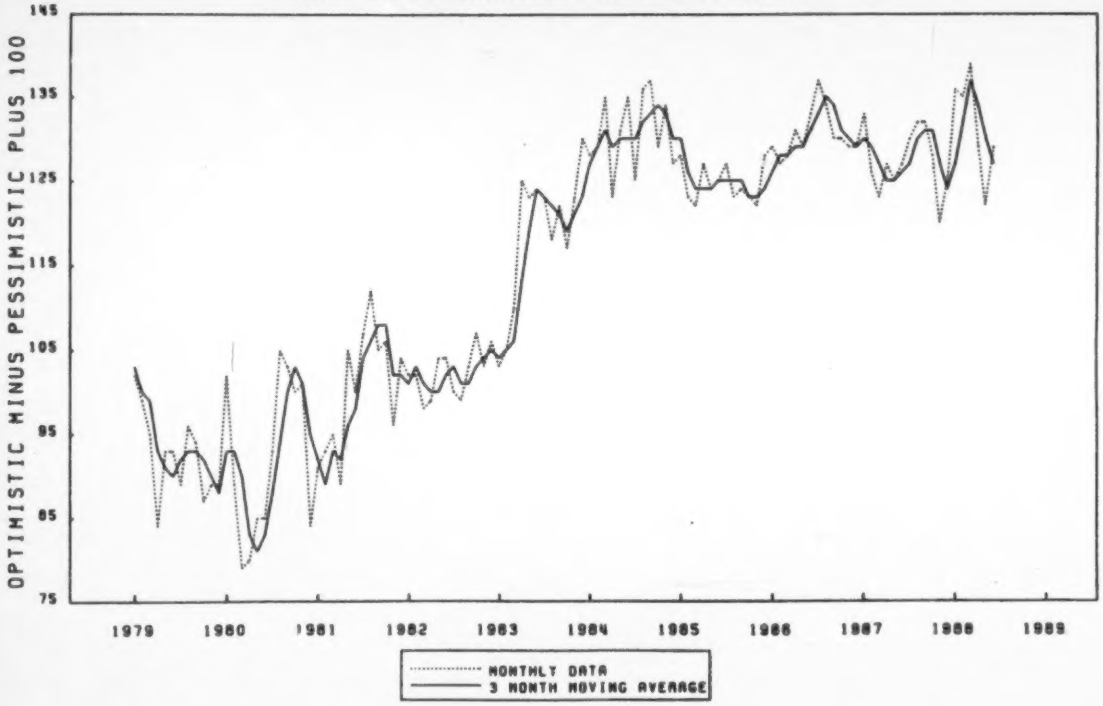


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

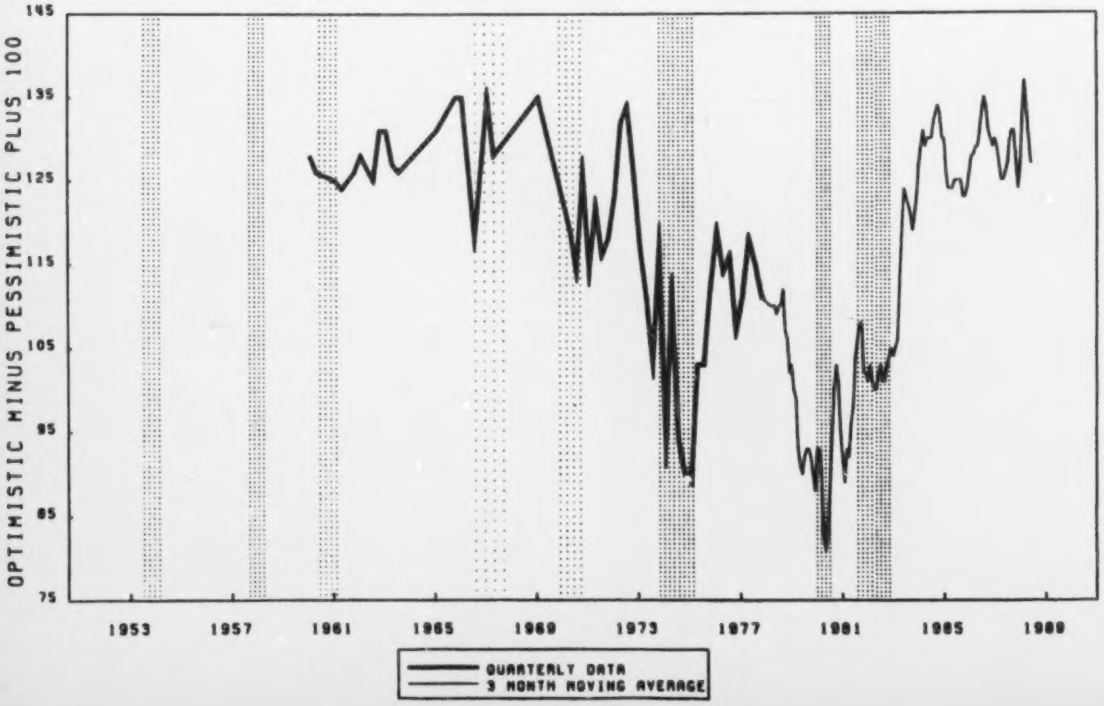


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	18%	19%	23%	18%	23%	19%	17%	21%	20%	25%	18%	19%	24%
Intermittant increase (b)	31	29	29	31	24	25	27	31	31	30	30	24	25
Remain unchanged (c)	17	20	16	19	21	18	19	19	15	17	20	21	19
Intermittant decline (d)	17	14	16	12	15	18	17	13	13	13	16	17	16
Continuous decline (e)	5	4	4	5	4	6	2	3	3	3	3	4	4
Mixed change (f)	8	10	9	10	10	11	13	11	13	9	9	13	9
DK,NA	4	4	3	5	3	3	5	2	5	3	4	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

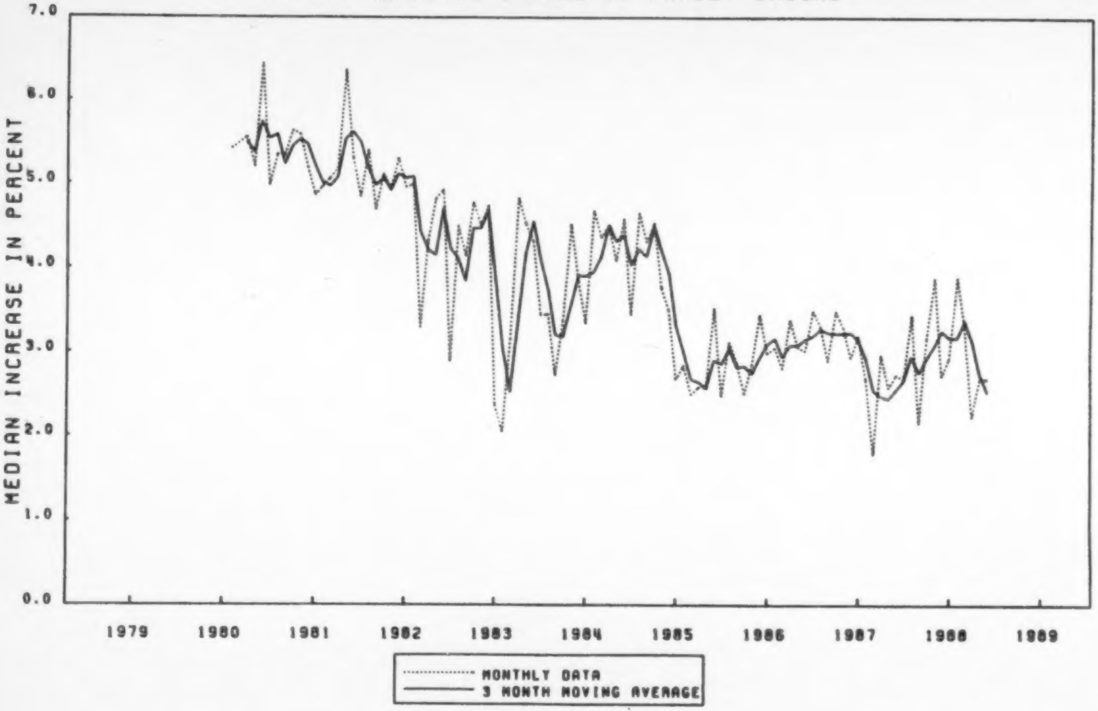


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

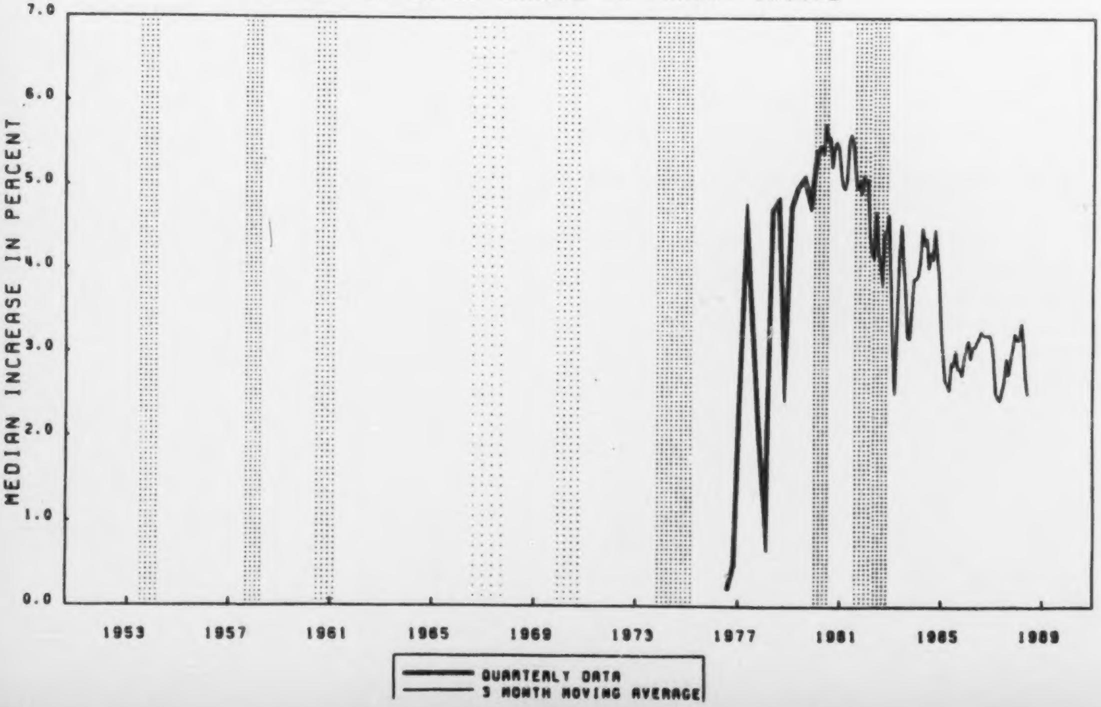


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
EXPECT INCREASE:													
1-4%	21%	18%	17%	17%	15%	18%	19%	18%	16%	16%	16%	15%	15%
5%	9	9	12	13	10	11	10	12	15	11	9	12	9
6-9%	10	7	6	6	9	8	8	7	8	7	6	7	7
10-24%	13	16	17	10	15	18	14	15	17	17	14	13	15
25% or more	5	6	8	6	5	7	4	6	5	7	6	9	6
DK how much up	4	4	4	5	6	2	3	4	2	2	6	2	5
EXPECT SAME	26	27	23	30	25	21	23	27	23	29	30	28	28
EXPECT DOWN	12	13	11	11	13	13	19	10	12	9	12	13	13
DK,NA	*	*	2	2	2	2	*	1	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

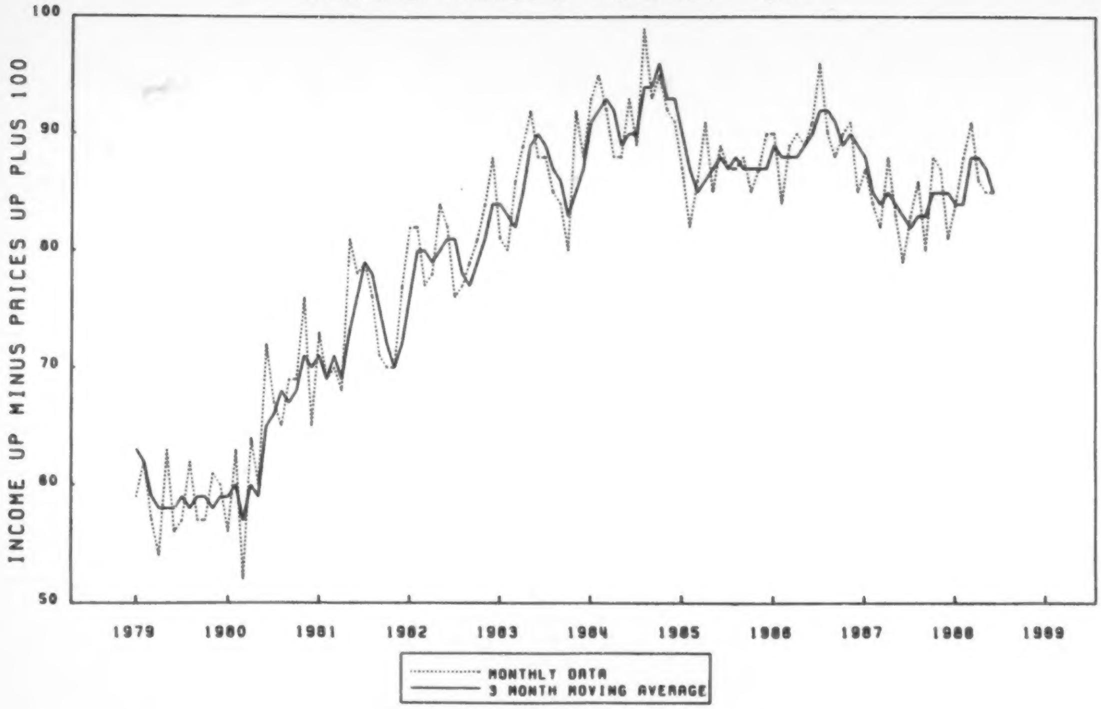


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

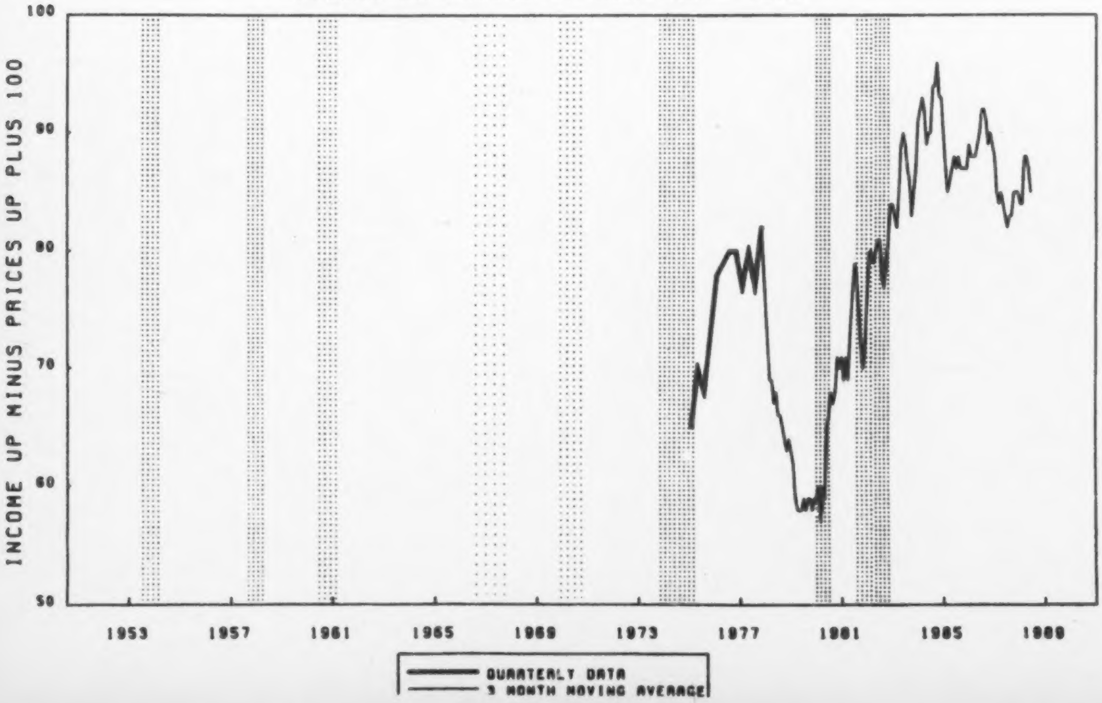


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
INCOME UP MORE	17%	17%	21%	18%	20%	22%	19%	19%	20%	22%	19%	19%	18%
INCOME UP SAME	44	47	42	42	45	43	41	44	45	44	47	44	46
PRICES UP MORE	38	34	35	38	32	35	38	35	32	31	33	34	33
DK,NA	1	2	2	2	3	*	2	2	3	3	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

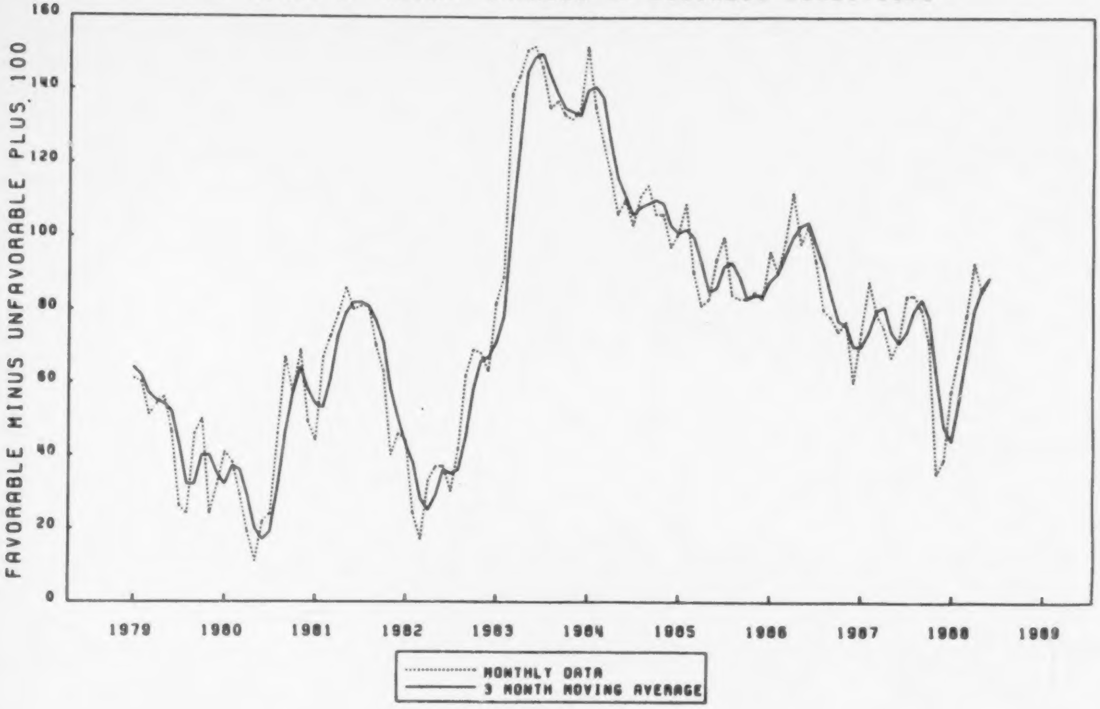


CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

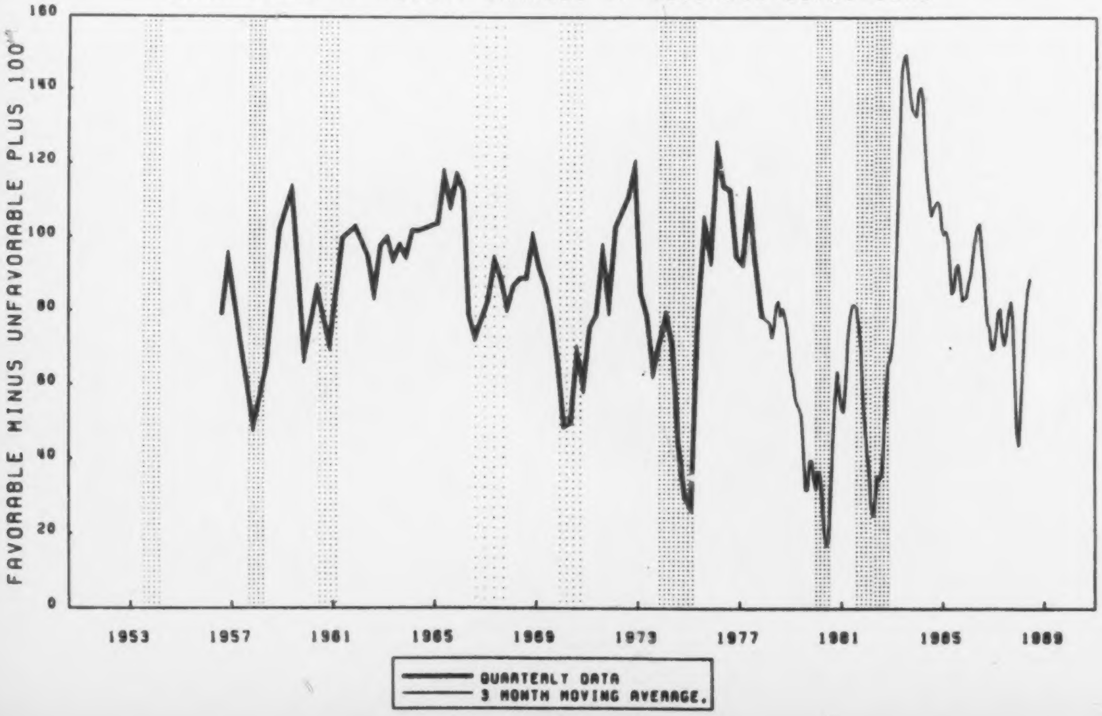


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
FAVORABLE NEWS	29%	29%	32%	24%	25%	18%	18%	23%	26%	29%	30%	33%	29%
UNFAVORABLE NEWS	57	45	48	44	54	83	79	65	58	50	37	48	40
NO MENTIONS	42	50	47	53	47	32	36	41	42	45	51	44	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

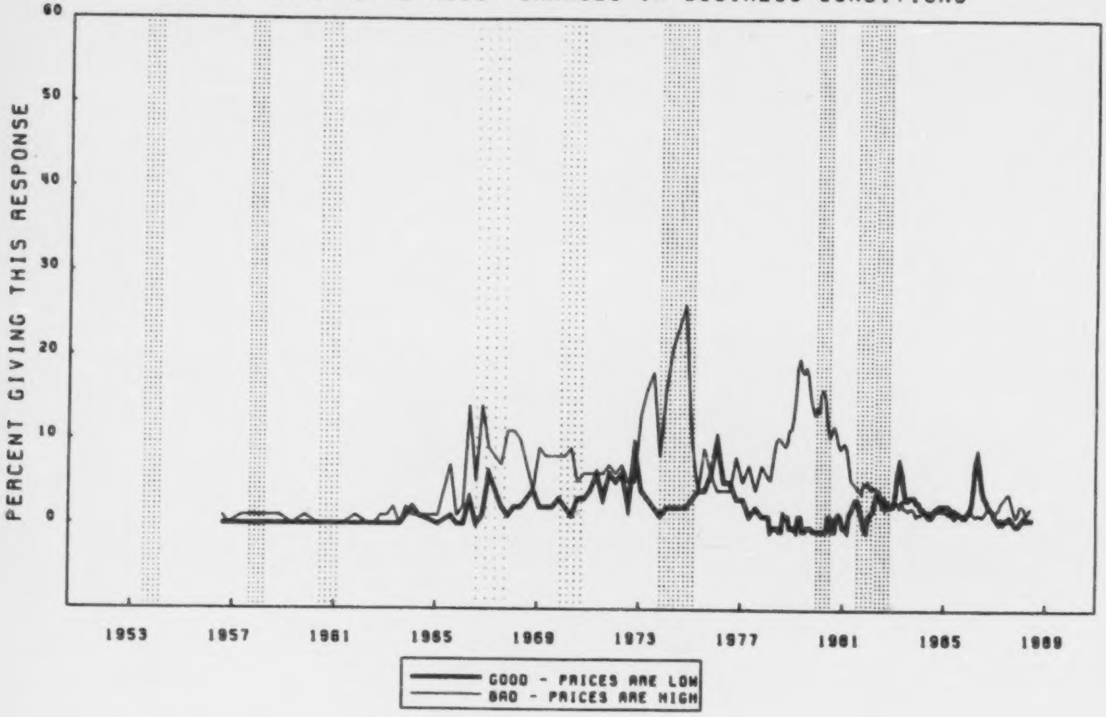


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

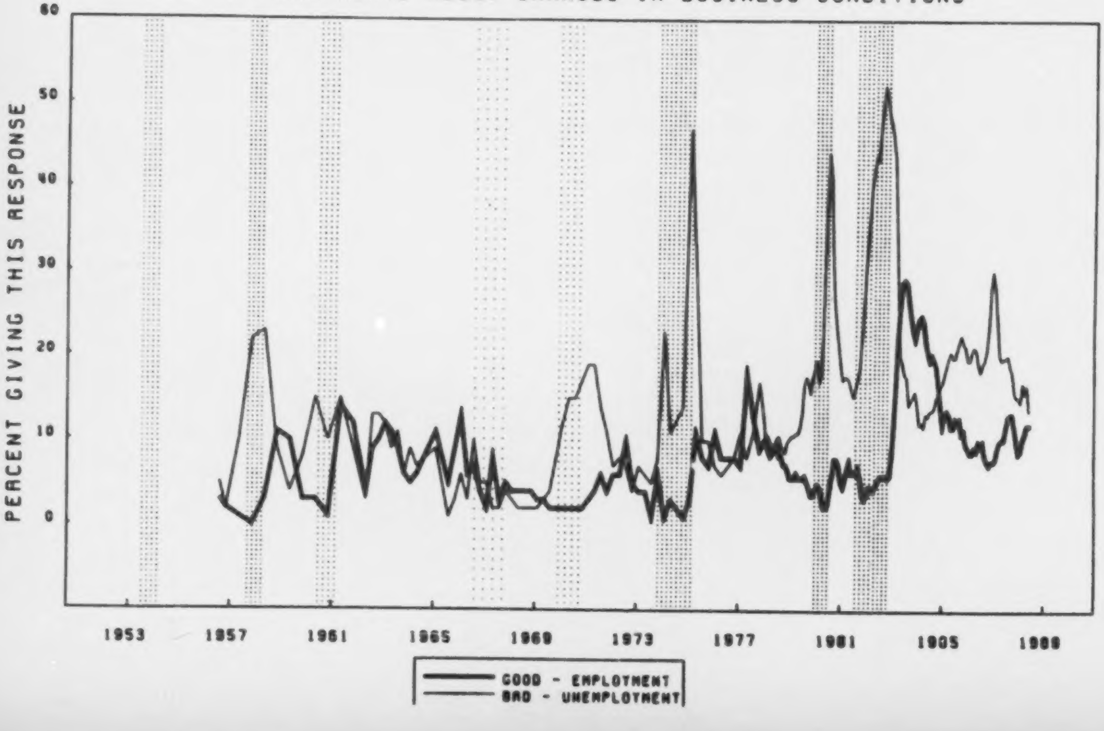


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
FAVORABLE NEWS:													
Government; elections	2%	2%	3%	1%	*	*	1%	1%	1%	1%	2%	3%	2%
Employment	11	13	15	12	13	10	7	9	11	11	11	14	11
Higher consumer demand	2	*	1	*	1	1	1	2	1	2	1	3	1
Lower prices	1	1	1	*	*	*	*	1	1	1	*	1	1
Easier credit	3	2	1	1	1	1	2	1	4	2	2	2	1
Stock market	2	2	3	2	3	2	1	*	1	2	3	2	3
Trade deficit	2	2	1	1	1	1	1	3	2	3	2	1	2
UNFAVORABLE NEWS:													
Government; elections	7	5	5	3	5	6	6	6	6	3	5	5	6
Unemployment	21	18	22	17	16	15	15	16	13	22	12	16	13
Lower consumer demand	3	3	2	1	3	5	4	4	3	1	3	3	2
Higher prices	4	4	3	1	1	1	2	4	1	1	2	2	2
Tighter credit	7	4	2	5	6	5	3	1	2	1	1	4	3
Stock market	3	2	2	2	11	38	32	21	18	10	7	7	6
Trade deficit	7	4	6	3	4	4	7	6	4	3	3	4	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

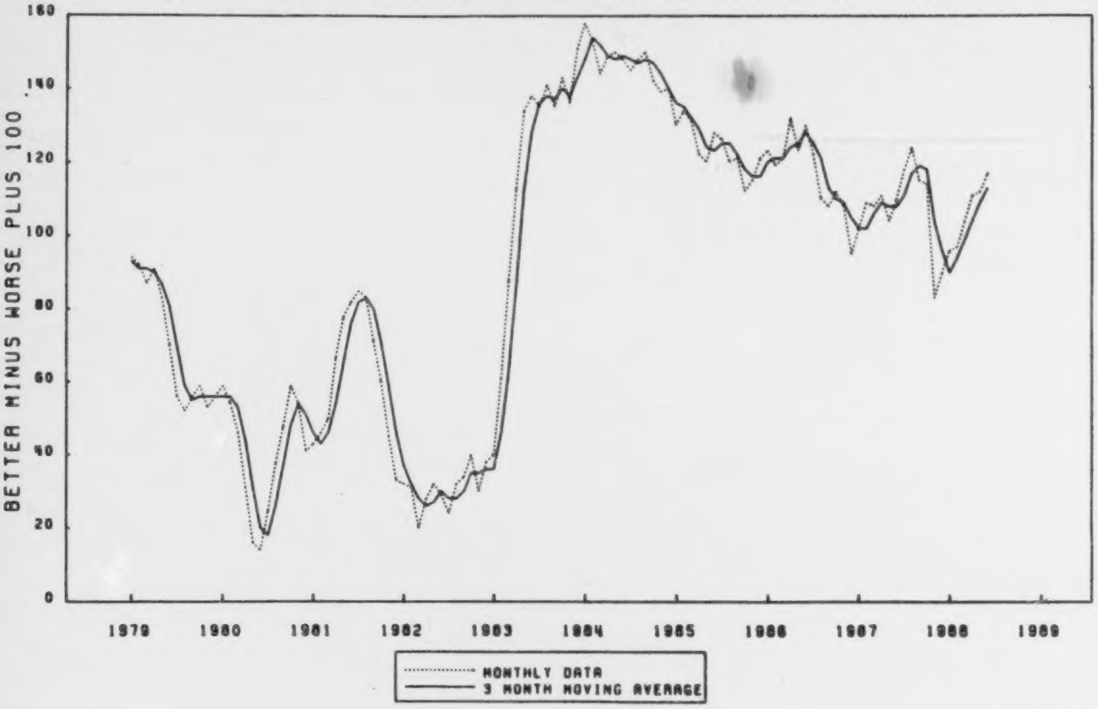


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

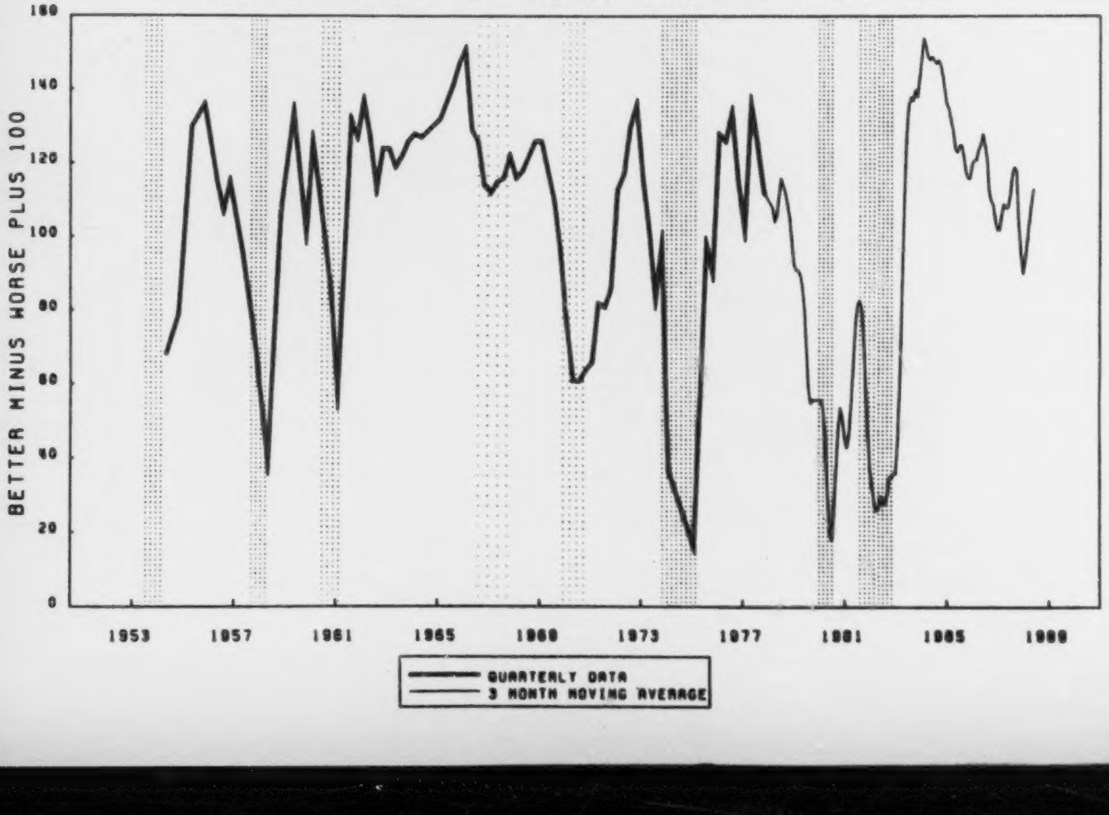


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
BETTER NOW	46%	50%	54%	49%	49%	33%	36%	40%	41%	40%	47%	47%	47%
SAME	16	16	14	14	14	16	15	14	13	21	14	17	21
WORSE NOW	36	32	30	34	35	50	46	44	44	36	36	35	30
DK,NA	2	2	2	3	2	1	3	2	2	3	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

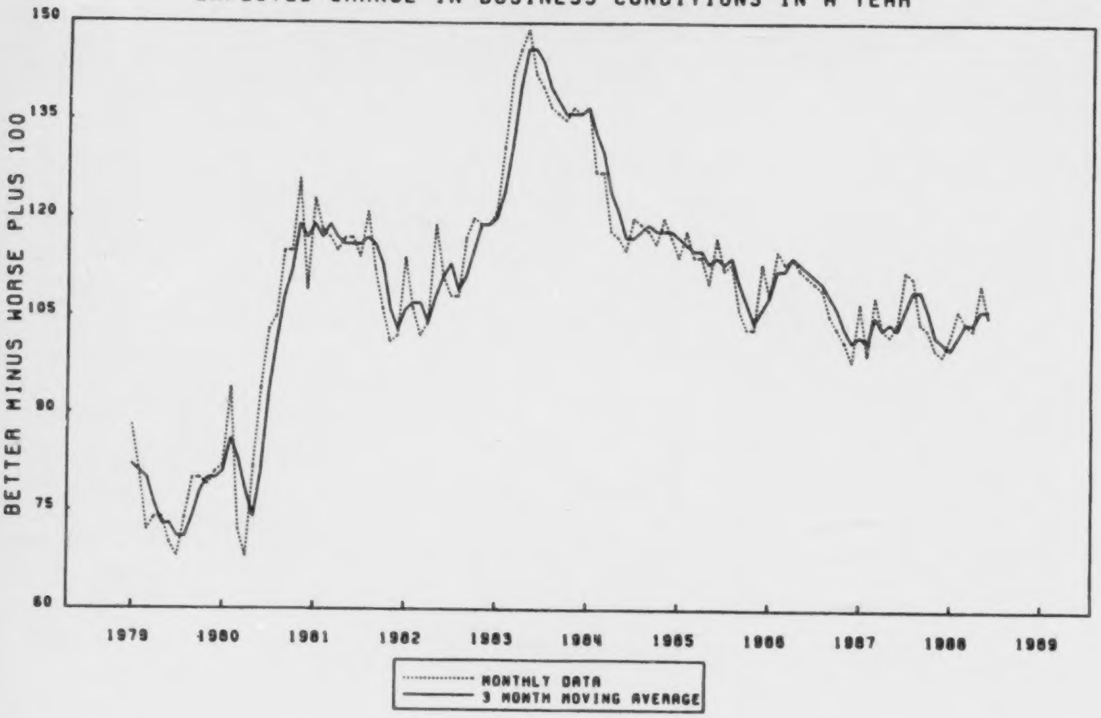


CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

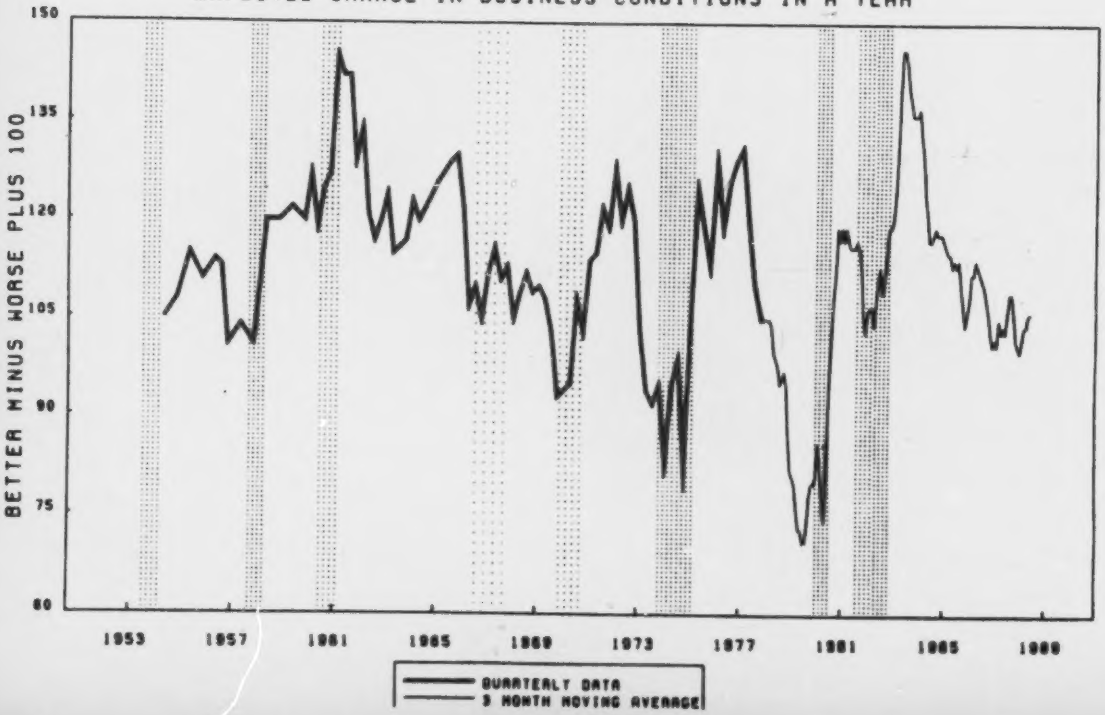


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
BETTER	23%	26%	25%	21%	22%	23%	22%	21%	23%	21%	21%	26%	24%
SAME	57	56	57	58	57	52	53	58	58	58	57	53	54
WORSE	19	14	14	17	19	23	23	19	17	17	18	16	19
DK,NA	1	4	4	4	2	2	2	2	2	4	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

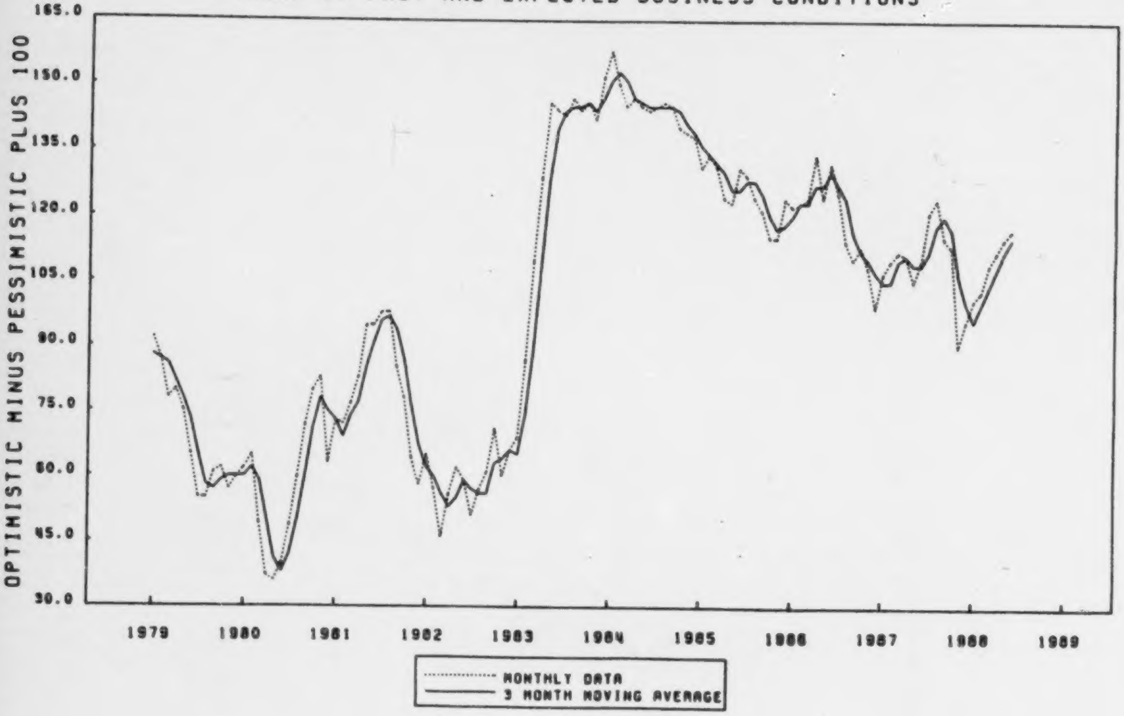


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

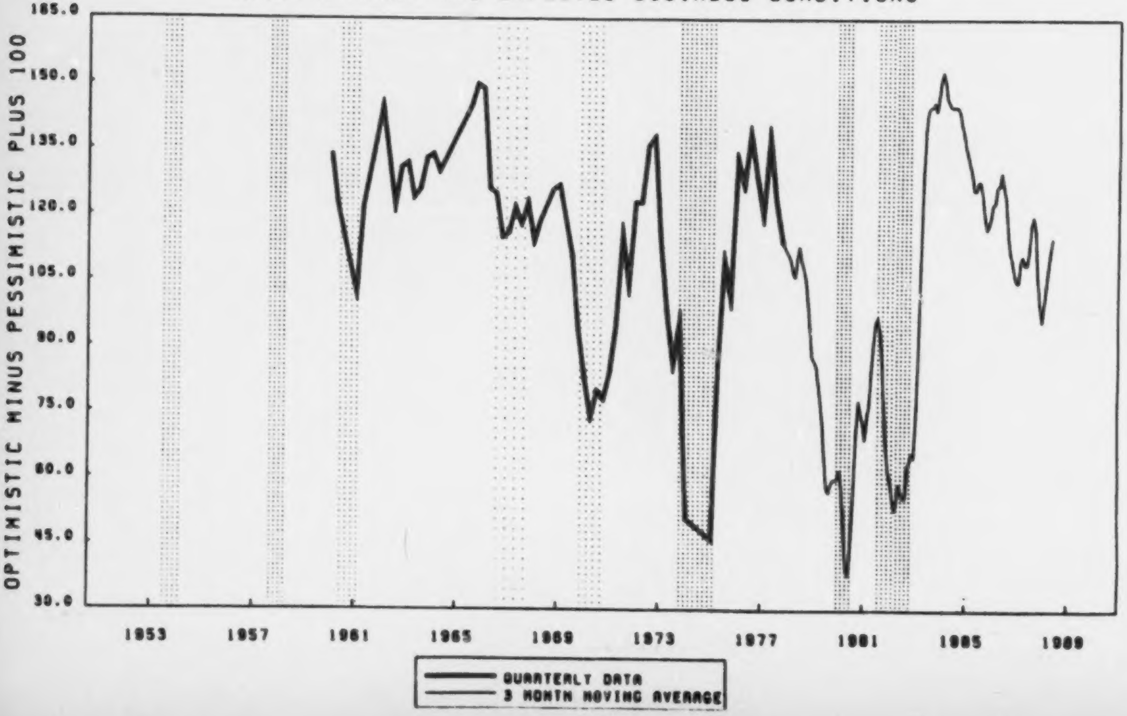


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
TREND:													
Continuous increase (a)	14%	17%	19%	14%	16%	10%	10%	11%	12%	10%	14%	16%	15%
Intermittant increase (b)	28	33	33	32	29	22	24	29	27	30	30	29	30
Remain unchanged (c)	11	9	9	9	10	10	10	8	10	12	9	9	13
Intermittant decline (d)	21	19	20	21	21	26	22	25	24	21	20	20	18
Continuous decline (e)	11	10	8	10	11	16	16	14	12	10	12	10	10
Mixed change (f)	12	7	6	9	10	14	13	10	11	11	9	11	10
DK,NA	3	5	5	5	3	2	5	3	4	6	6	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

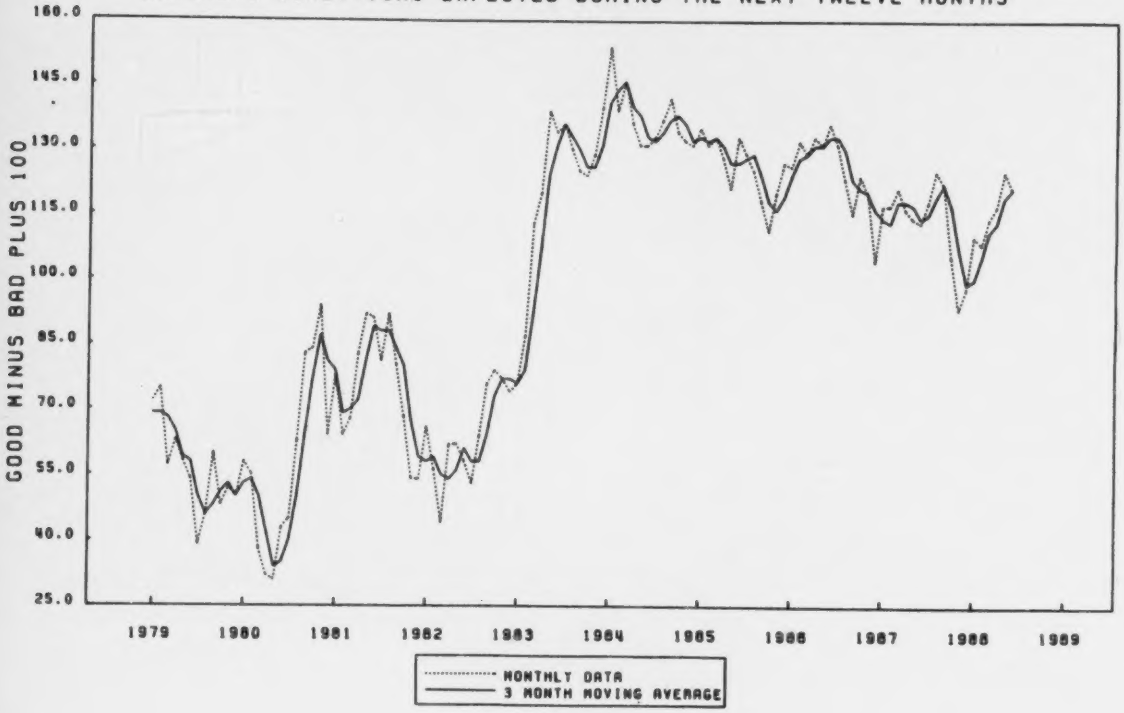


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

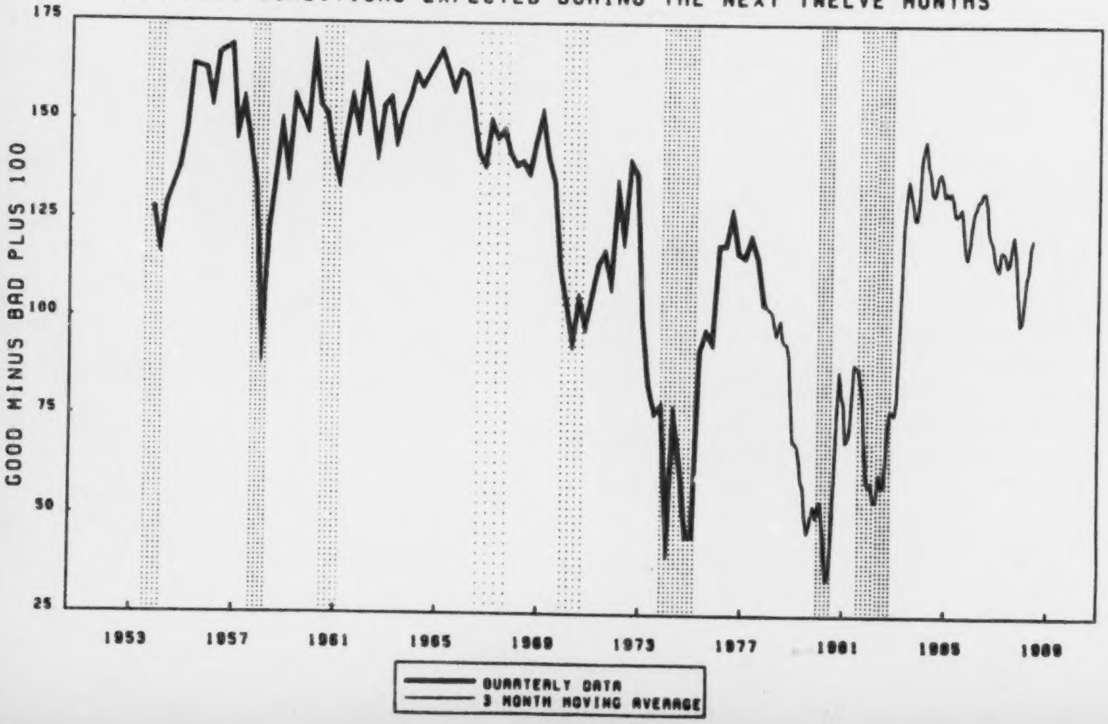


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIMES	50%	51%	55%	51%	43%	38%	41%	47%	45%	47%	50%	54%	54%
UNCERTAIN; GOOD & BAD	2	2	3	5	3	2	4	4	4	4	4	4	3
BAD TIMES	37	33	30	29	38	45	43	37	37	33	33	29	33
DON'T KNOW	5	7	7	7	7	8	6	7	7	7	9	8	6
NOT ASCERTAINED	6	7	5	8	9	7	6	5	7	9	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

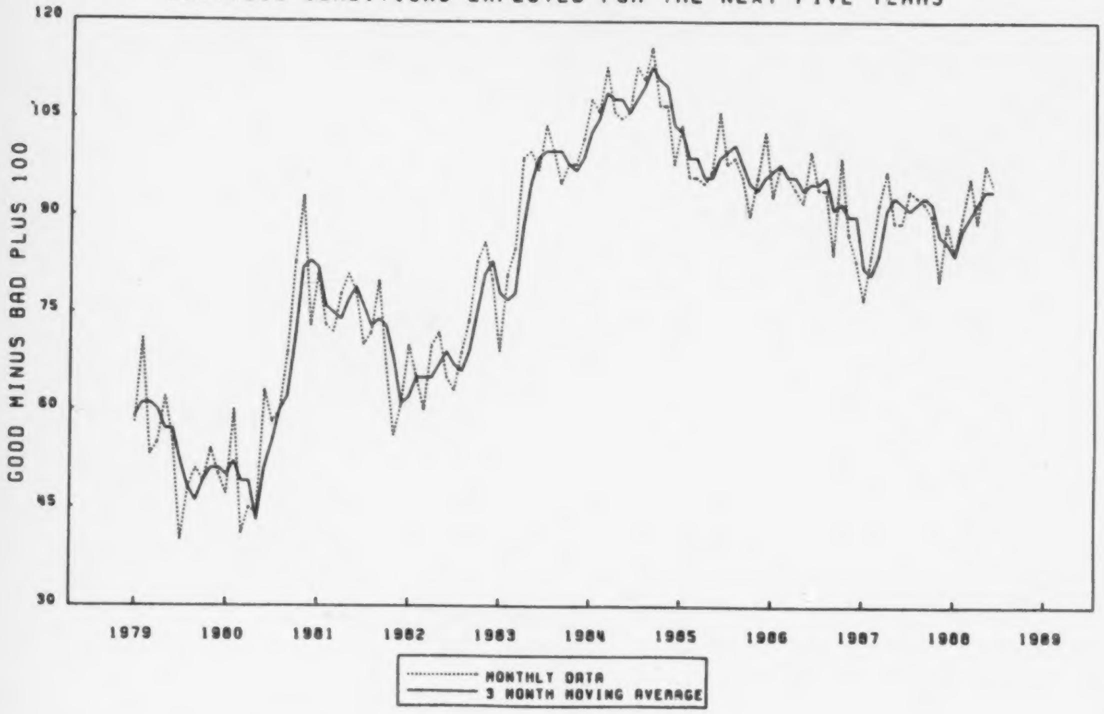


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

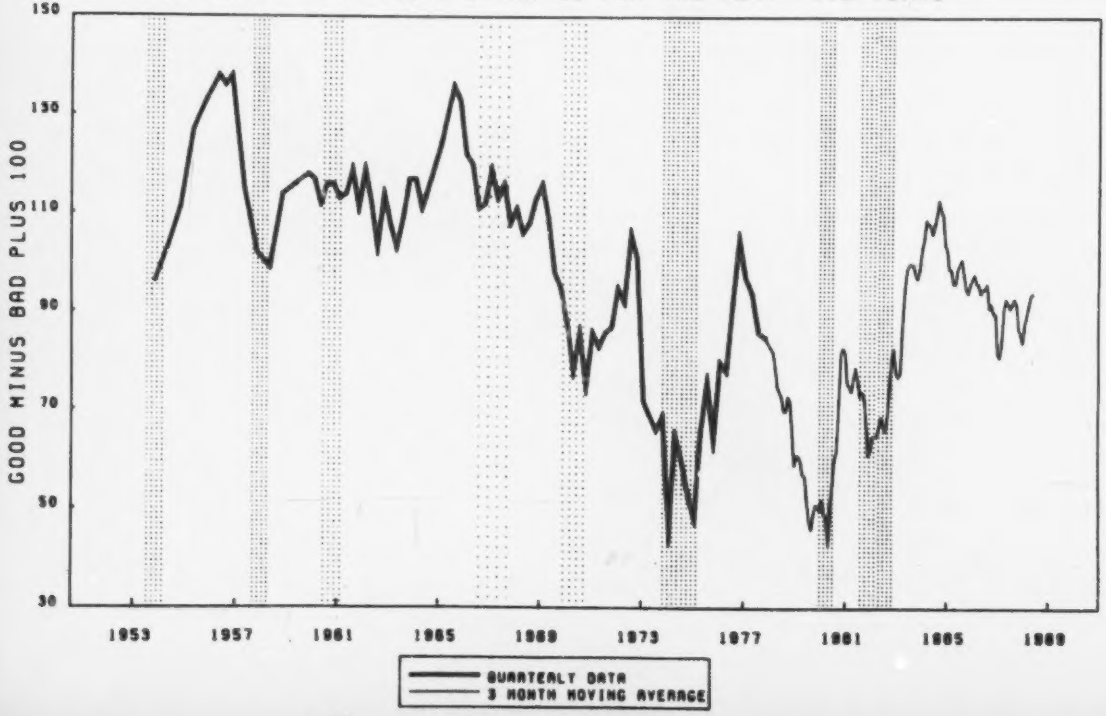


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIMES	37%	36%	36%	37%	36%	31%	33%	34%	35%	39%	36%	41%	36%
UNCERTAIN; GOOD & BAD	9	15	16	13	12	13	16	12	15	14	15	13	16
BAD TIMES	48	42	43	45	46	51	44	50	45	43	47	43	41
NOT ASCERTAINED	6	7	5	5	6	5	7	4	5	4	2	3	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

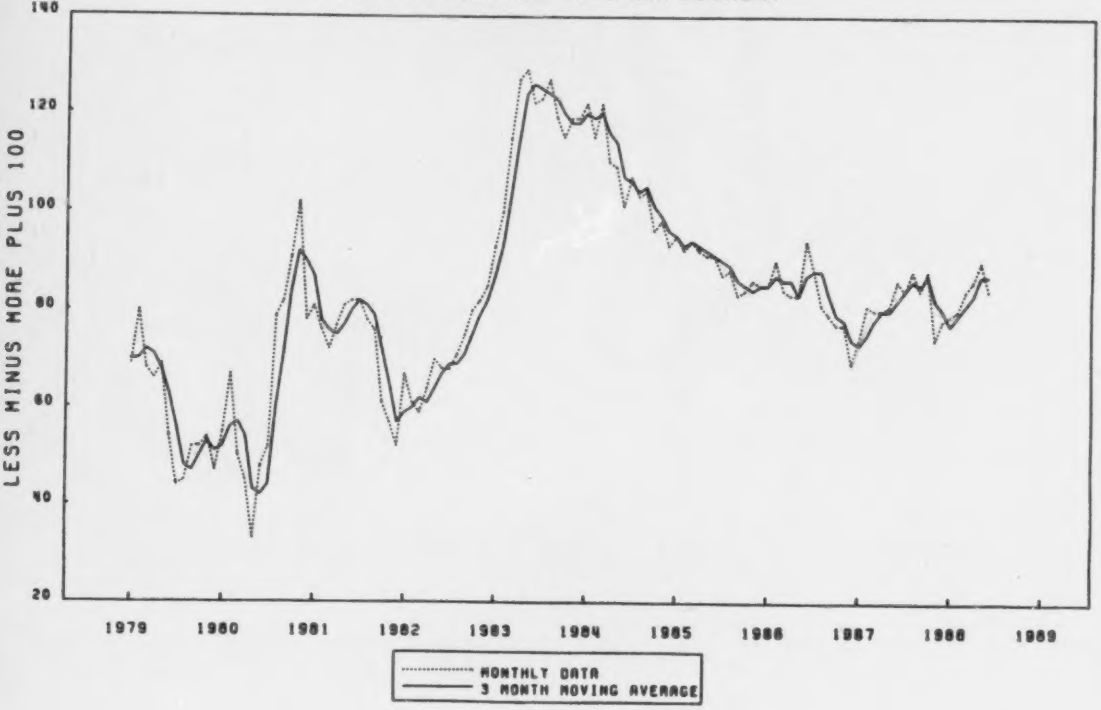


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

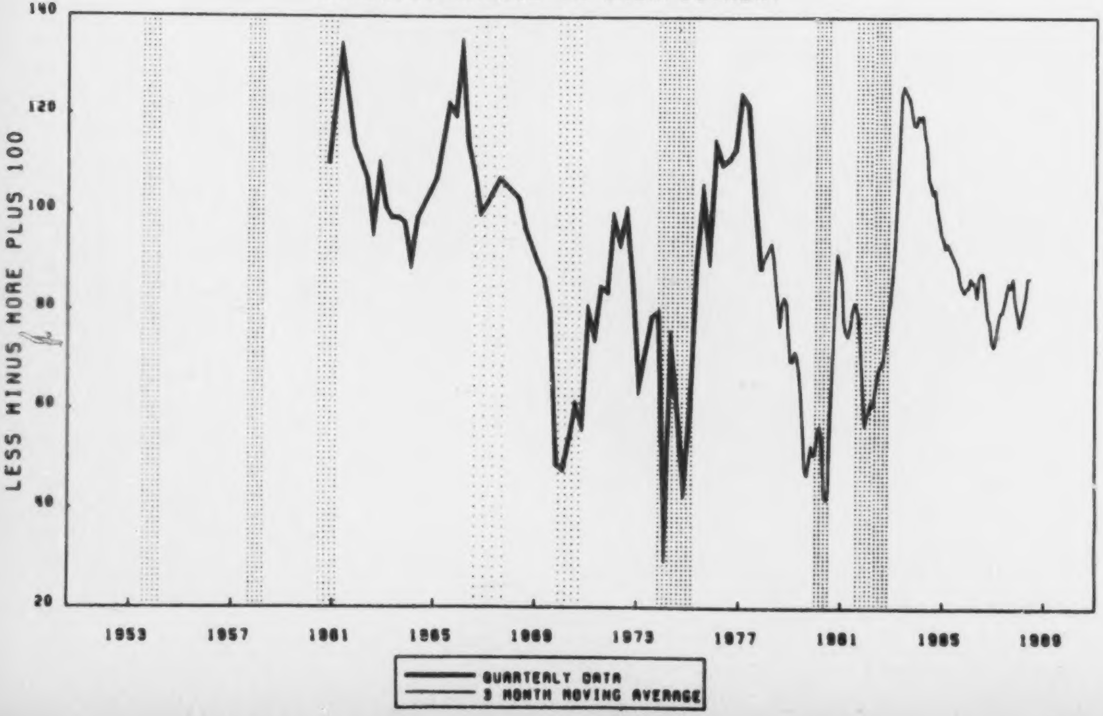


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
LESS	16%	14%	15%	13%	17%	10%	12%	12%	12%	12%	14%	11%	15%
SAME	52	55	56	57	52	53	51	54	53	58	56	67	53
MORE	30	30	27	29	29	36	34	33	33	28	28	21	31
DK,NA	2	1	2	1	2	1	3	1	2	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

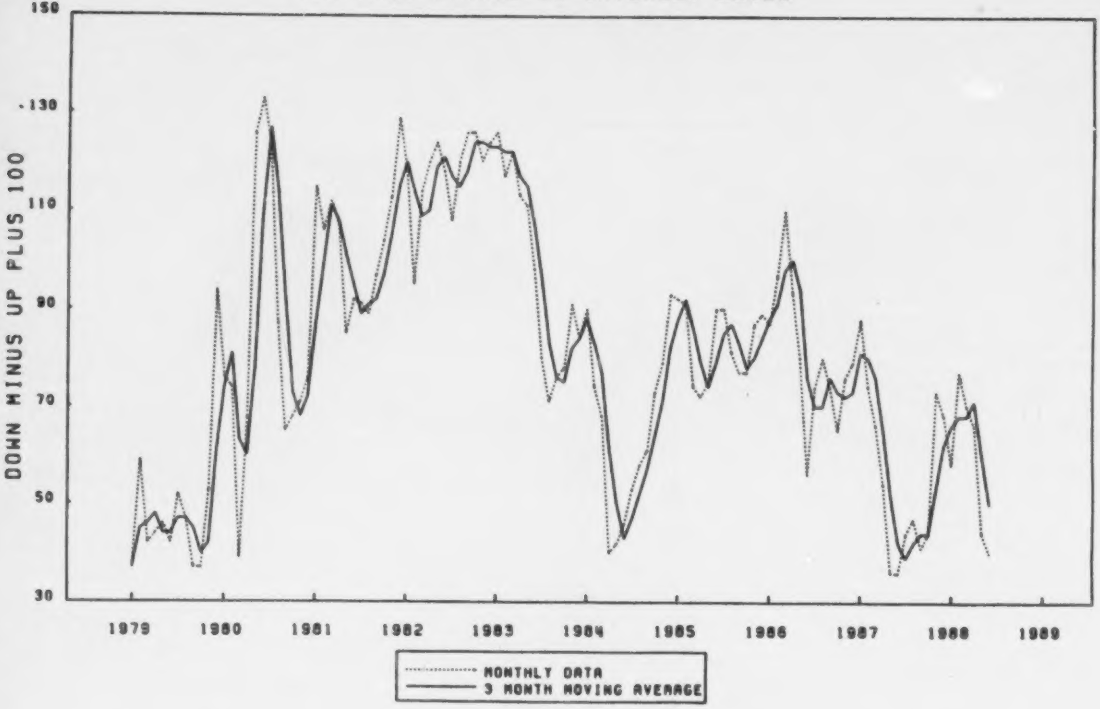


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

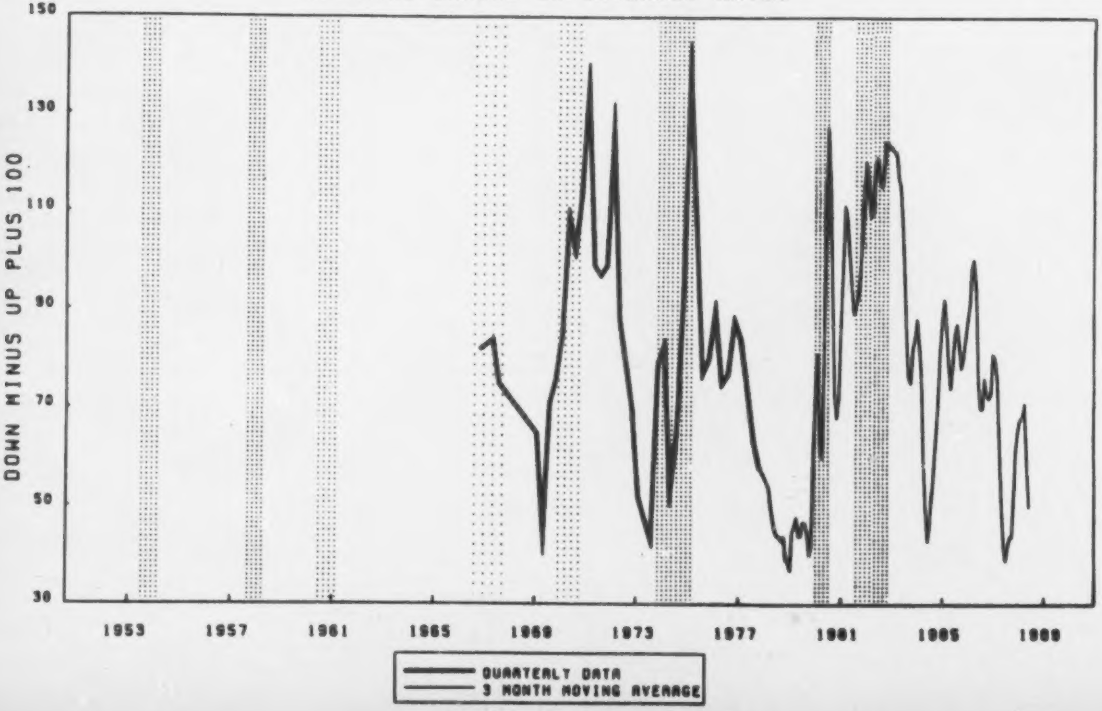


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GO UP	69%	64%	62%	66%	67%	49%	52%	54%	44%	49%	48%	64%	67%
STAY THE SAME	24	26	27	24	20	26	26	32	32	29	35	26	24
GO DOWN	5	8	9	7	11	22	20	12	21	19	14	8	7
DK,NA	2	2	2	3	2	3	2	2	3	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

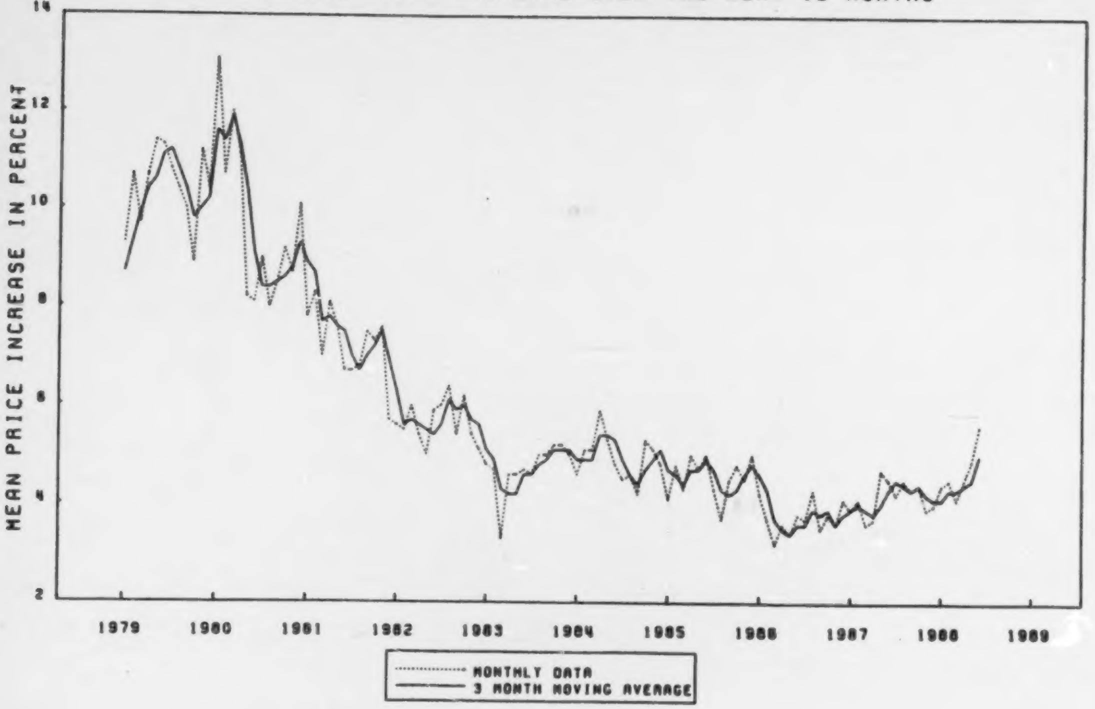


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

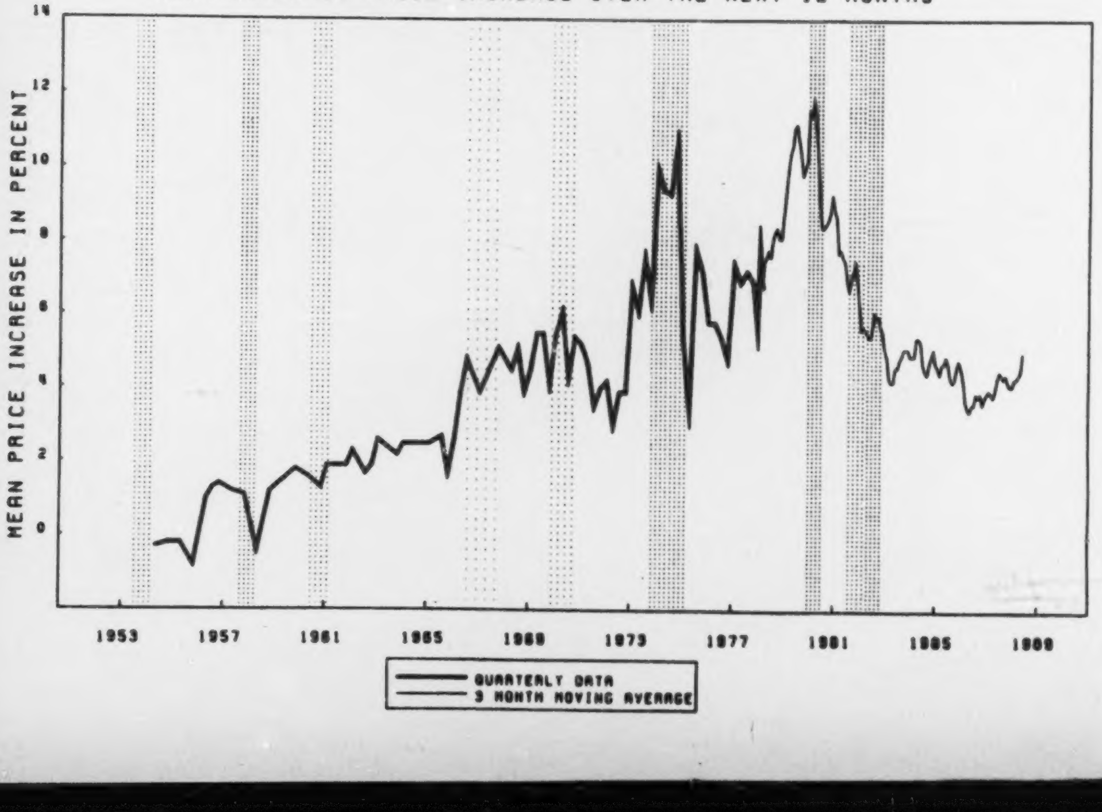


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
SAME OR DOWN	14%	17%	13%	17%	15%	20%	21%	23%	17%	18%	14%	13%	13%
WILL GO UP BY:													
1-2%	18	20	20	20	18	16	19	16	21	19	19	19	18
3-4%	25	23	25	24	23	22	21	21	23	24	25	26	20
5%	17	16	17	16	20	20	15	17	16	19	18	18	20
6-9%	7	7	8	6	7	8	8	6	6	6	7	7	8
10-14%	8	9	6	7	8	5	8	7	7	6	7	6	9
15% or more	4	3	4	3	3	4	3	6	5	3	4	6	6
DK how much up	6	4	6	5	5	4	4	3	4	5	5	4	5
DK,NA	1	1	1	2	1	1	1	1	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.5	4.2	4.5	4.3	4.4	3.9	4.0	4.4	4.5	4.1	4.5	4.9	5.6
VARIANCE	27	28	32	41	28	25	26	35	40	26	31	41	60
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

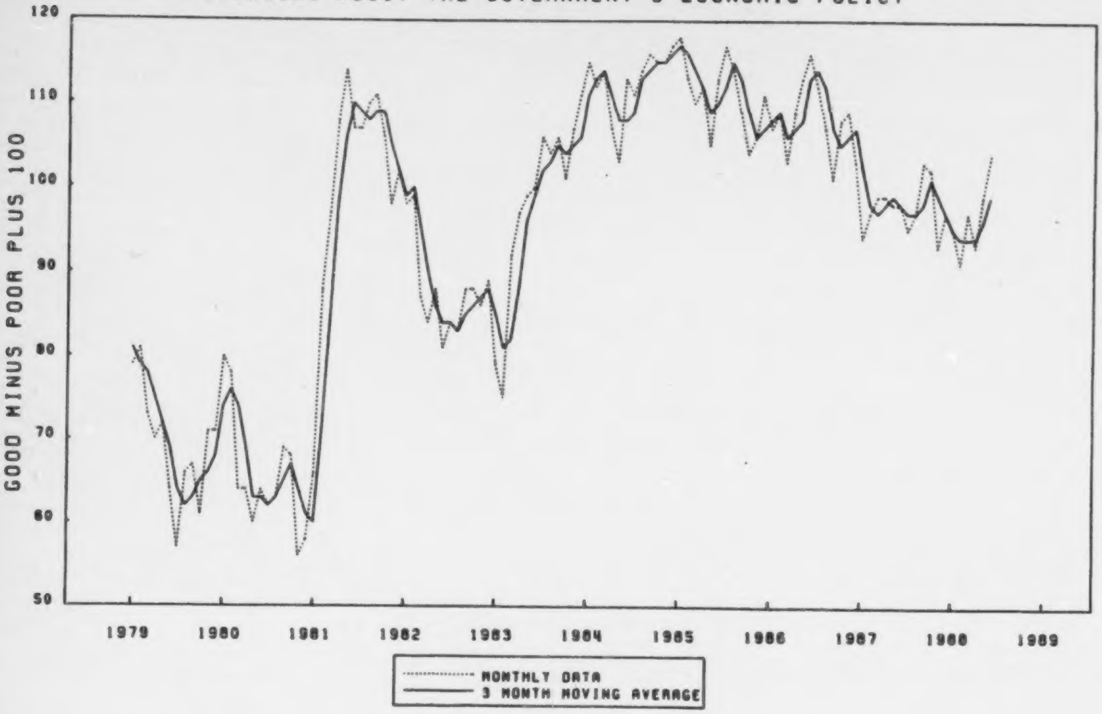


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

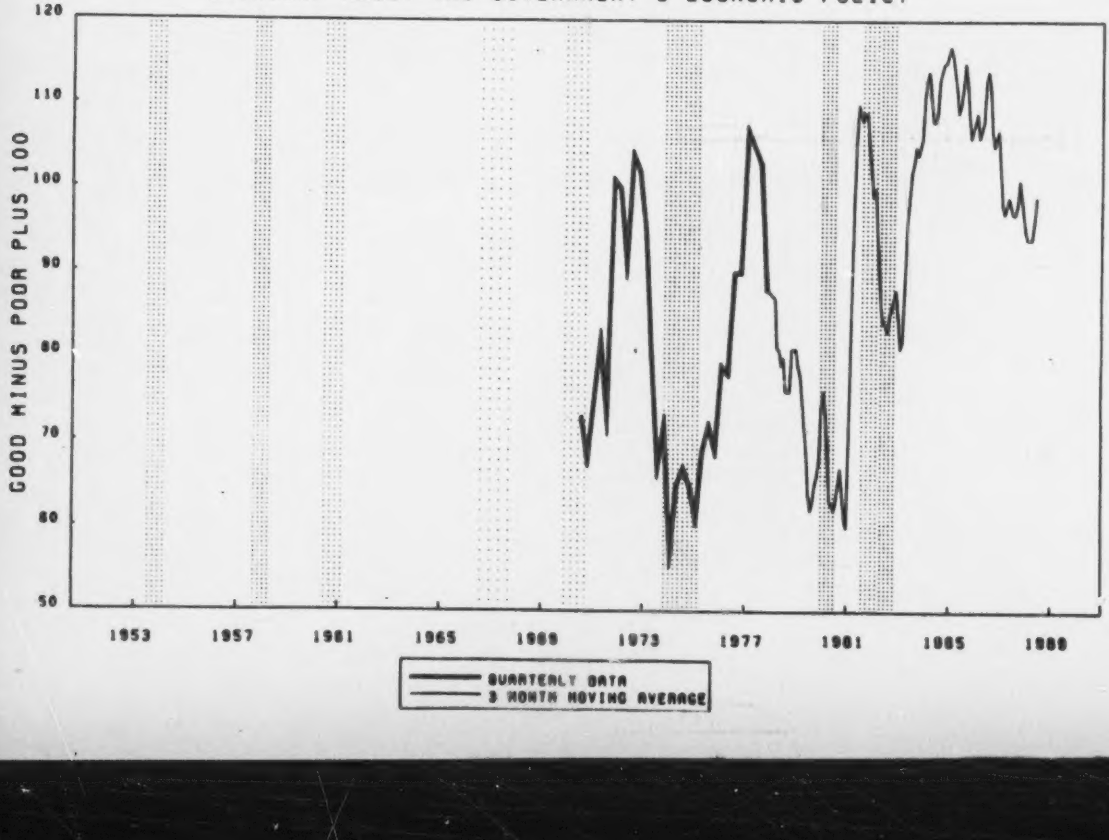


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
A GOOD JOB	23%	21%	23%	23%	25%	18%	19%	17%	18%	23%	18%	21%	23%
ONLY FAIR	49	52	48	54	48	54	56	60	53	49	56	56	57
A POOR JOB	25	26	26	20	23	25	22	22	27	26	25	22	19
DK,NA	3	1	3	3	4	3	3	1	2	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HJUSEHOLD GOODS

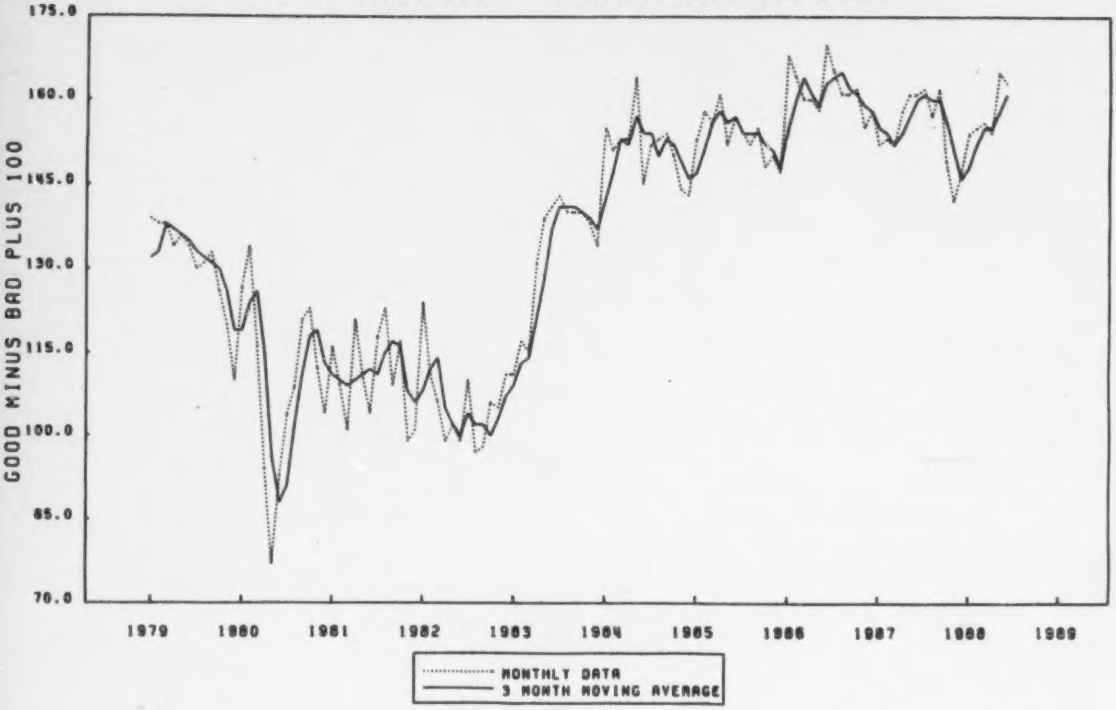


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

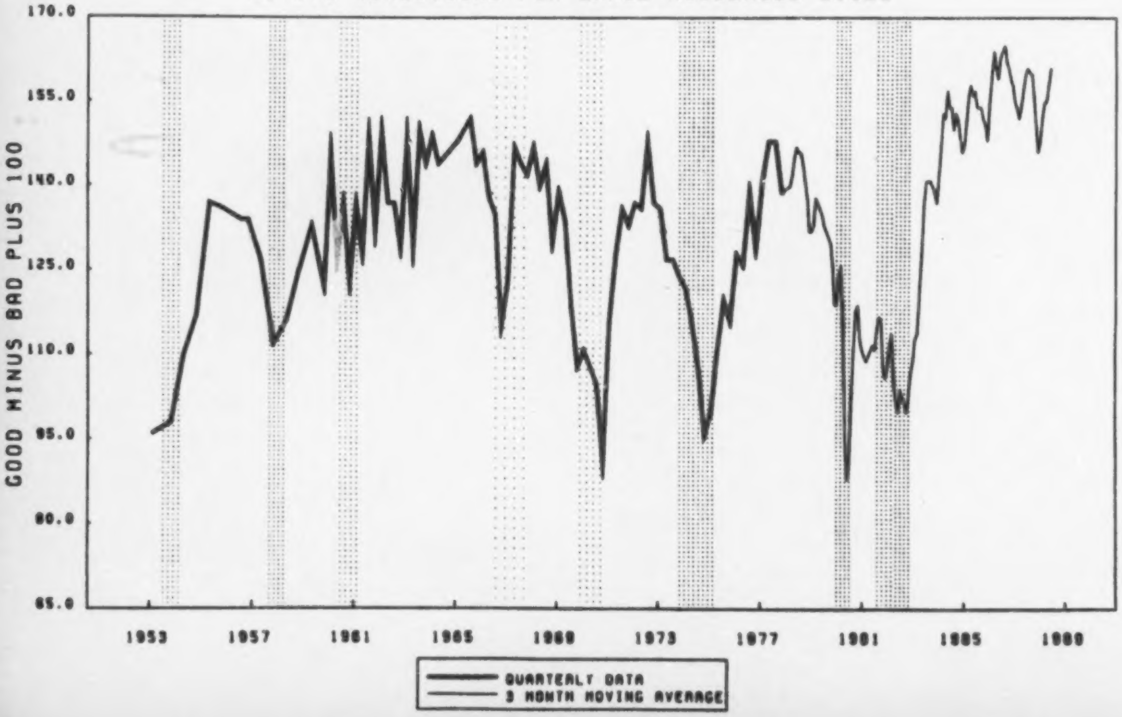


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIME TO BUY	76%	76%	74%	75%	69%	66%	69%	72%	72%	71%	73%	79%	74%
UNCERTAIN, DEPENDS	9	10	9	12	11	10	9	10	11	14	8	7	15
BAD TIME TO BUY	15	14	17	13	20	24	22	18	17	15	19	14	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

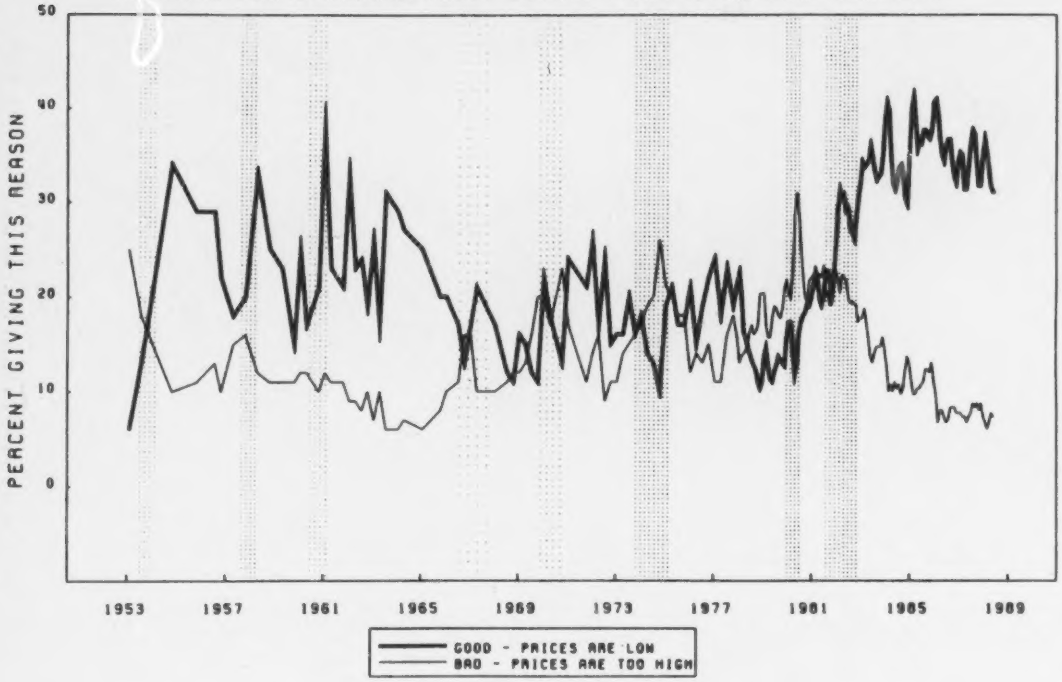


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

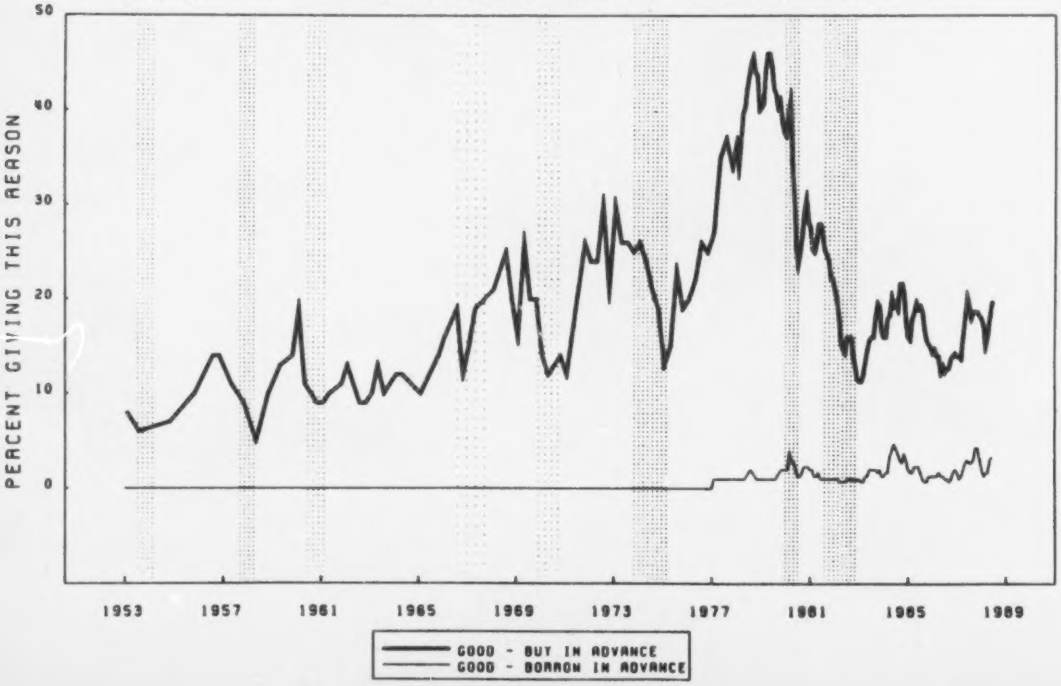


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	38%	37%	38%	37%	28%	30%	37%	37%	36%	33%	32%	30%	31%
Prices won't come down; are going higher	21	17	16	23	17	16	22	16	14	15	19	20	20
Interest rates low	12	11	15	11	9	11	8	6	8	10	9	6	8
Borrow-in-advance rates	3	2	3	4	6	3	1	2	1	2	2	5	3
Times are good; prosperity	5	6	6	6	7	4	4	6	7	8	10	7	7
BAD TIME TO BUY:													
Prices are high	9	8	9	8	9	7	10	5	5	8	7	8	7
Interest rates are high; credit is tight	3	3	4	4	4	8	6	4	5	4	4	4	2
Times are bad; can't afford to buy	4	3	5	2	6	4	4	8	6	5	6	3	2
Bad times ahead; uncertain future	2	2	1	1	4	10	5	4	4	2	4	2	1

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

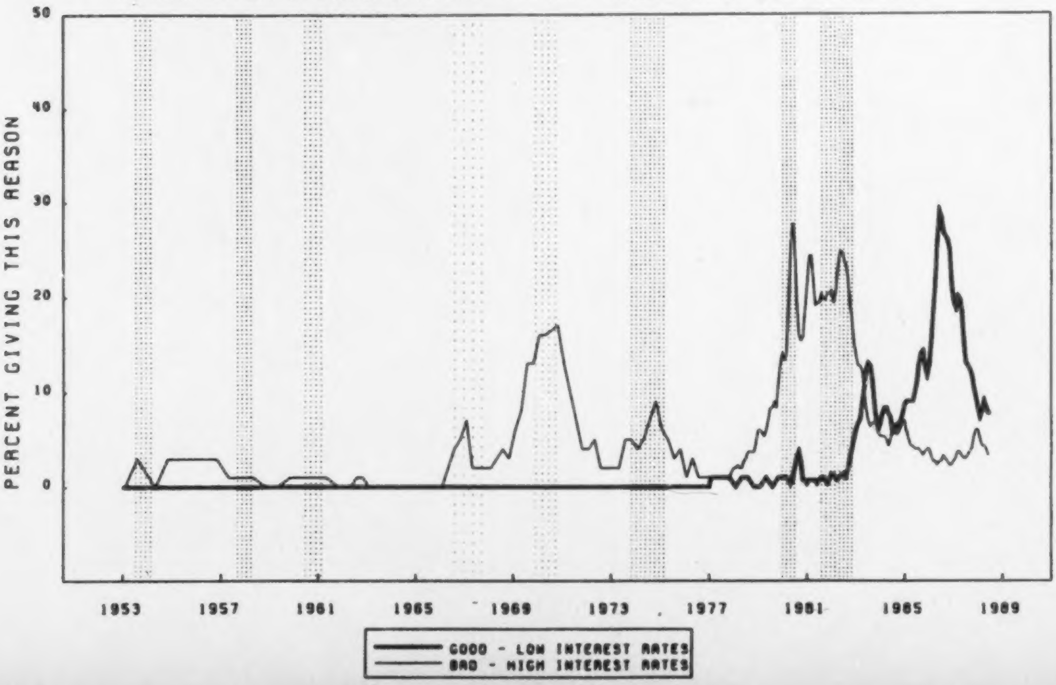


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

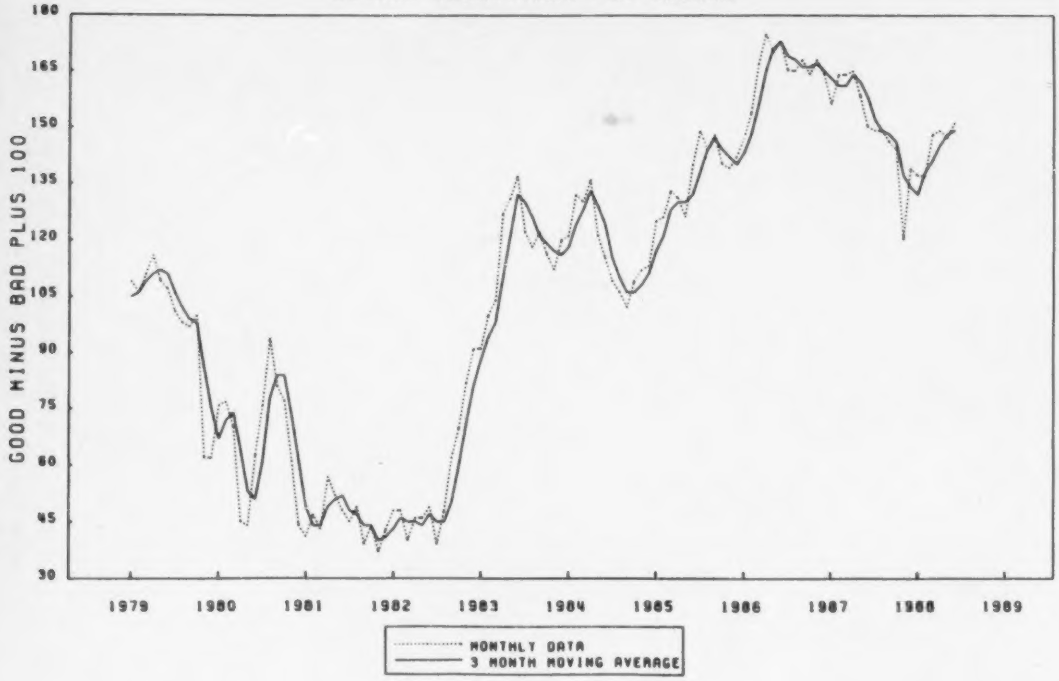


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

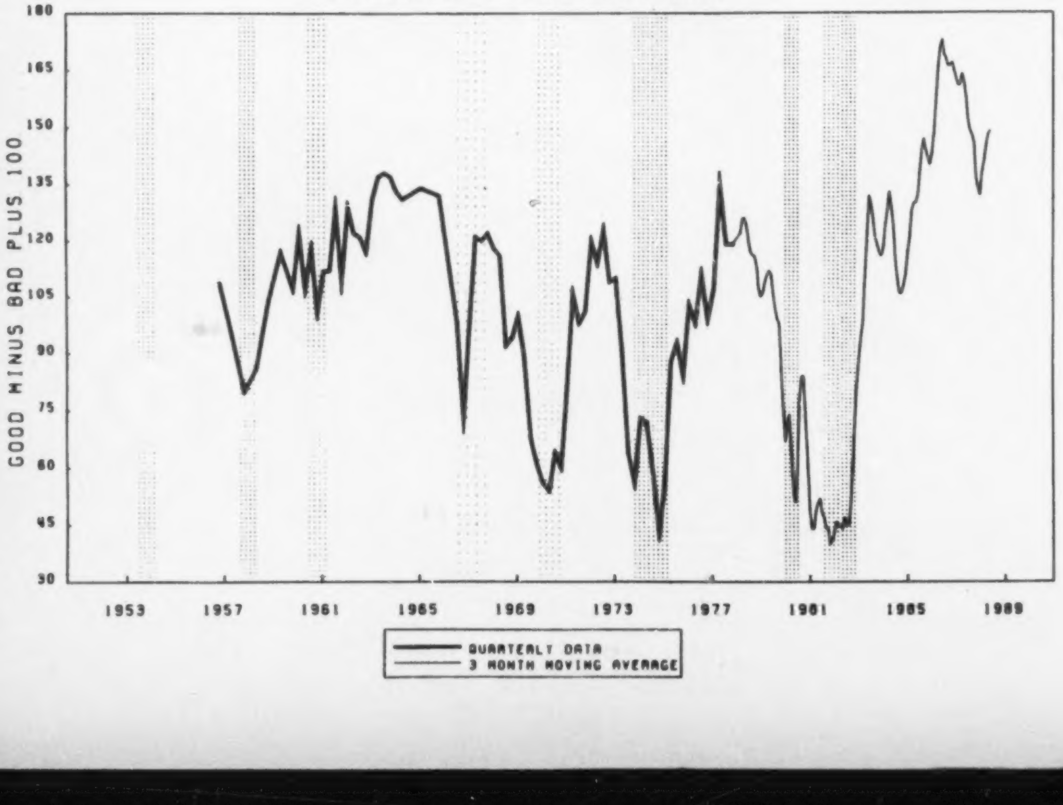


TABLE 23

BUYING CONDITIONS FOR HOUSES

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIME TO BUY	73%	72%	73%	71%	70%	58%	68%	67%	67%	71%	72%	72%	73%
UNCERTAIN, DEPENDS	4	5	3	4	4	4	3	3	3	6	5	3	5
BAD TIME TO BUY	23	23	24	25	26	38	29	30	30	23	23	25	22
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

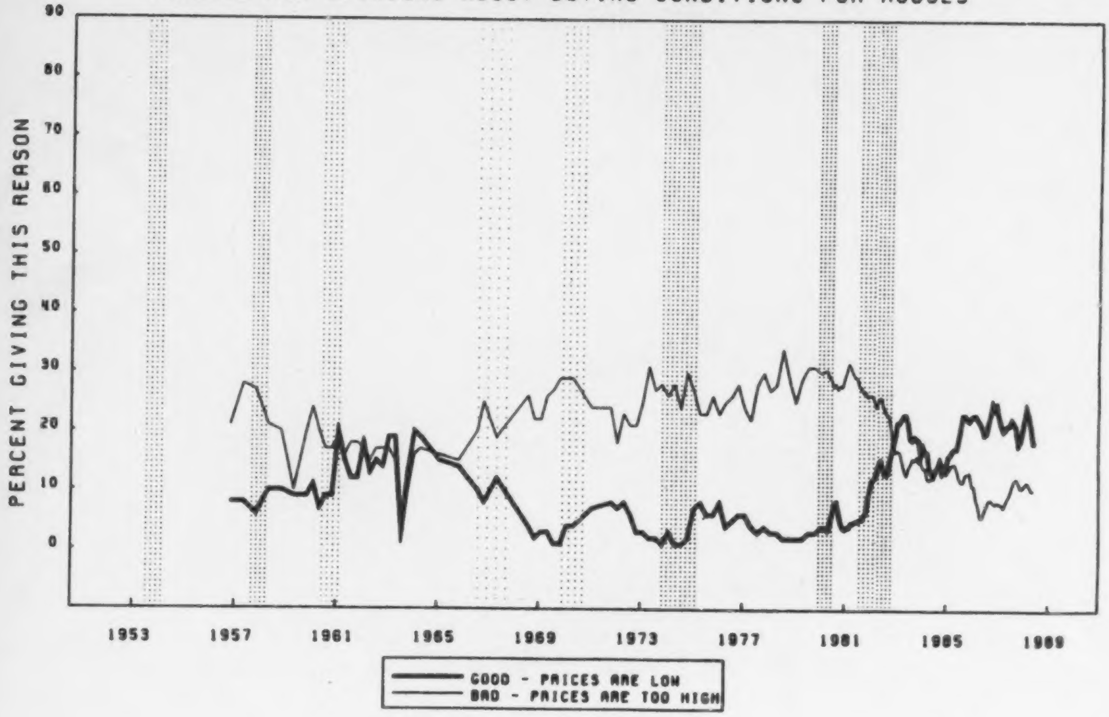


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

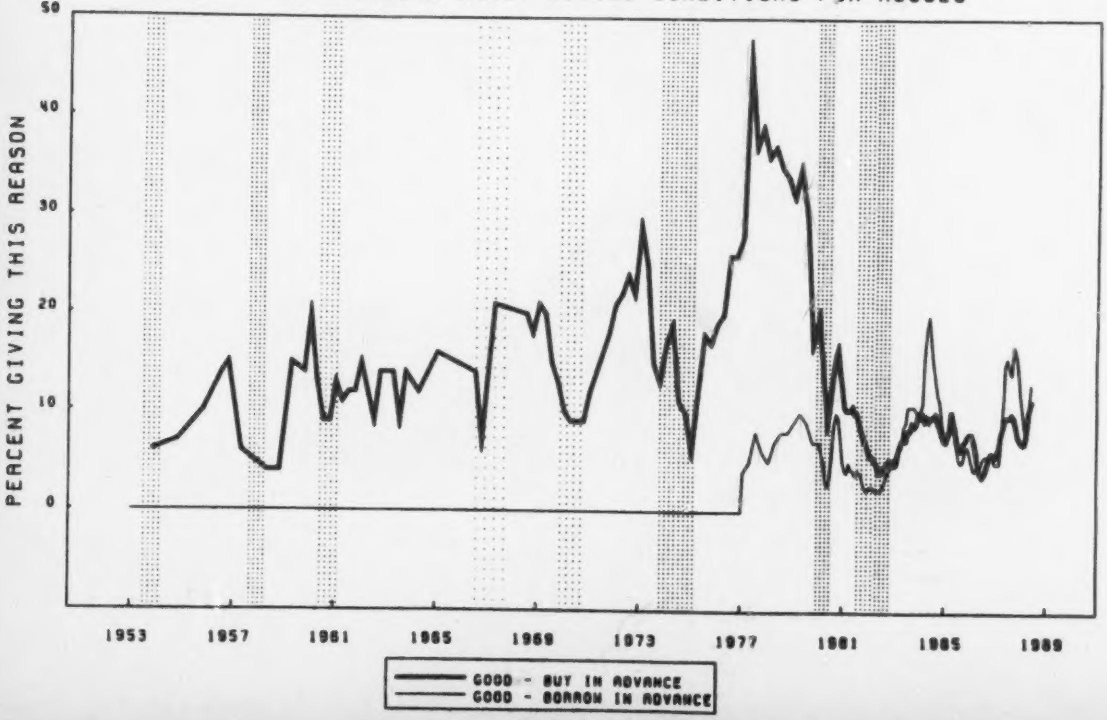


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	21%	25%	19%	19%	16%	21%	24%	22%	27%	20%	16%	19%
Prices won't come down; are going higher	11	9	9	12	8	6	9	7	5	9	10	12	12
Interest rates low	45	46	44	37	33	32	40	35	44	47	40	37	34
Borrow-in-advance rates	18	13	13	16	22	11	12	13	6	7	10	14	15
Good investment	5	6	7	7	6	7	9	7	4	6	7	10	6
Times are good; prosperity	2	4	2	5	3	3	3	3	4	4	4	5	5
BAD TIME TO BUY:													
Prices are high	10	10	13	13	11	11	10	11	13	11	10	10	11
Interest rates are high; credit is tight	12	12	10	13	18	19	13	13	15	9	10	12	10
Times are bad; can't afford to buy	5	4	5	5	7	5	7	10	7	8	8	6	4
Bad times ahead; uncertain future	3	1	3	3	4	13	7	5	4	3	4	3	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

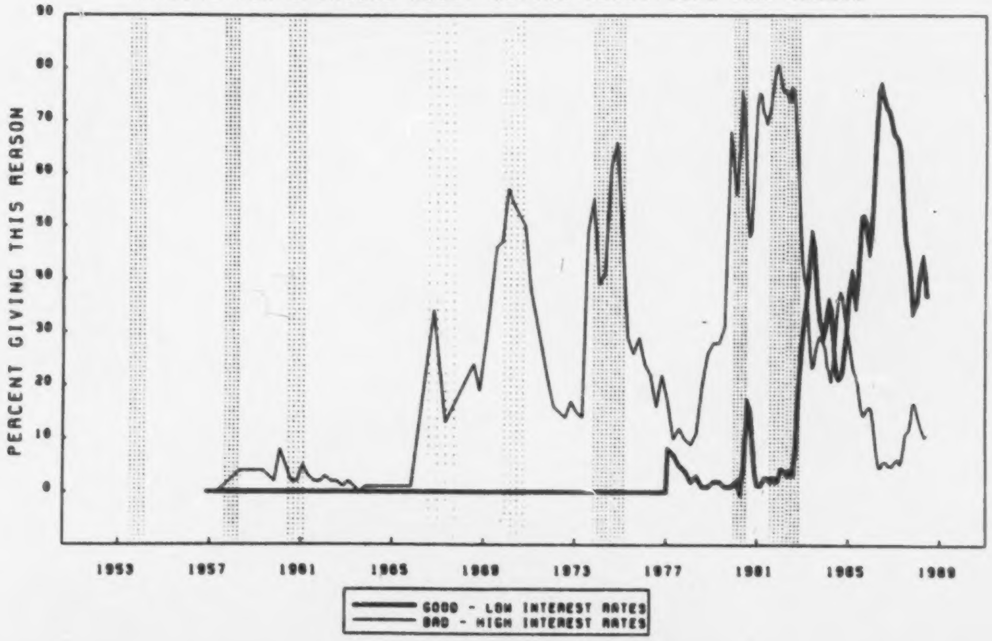


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

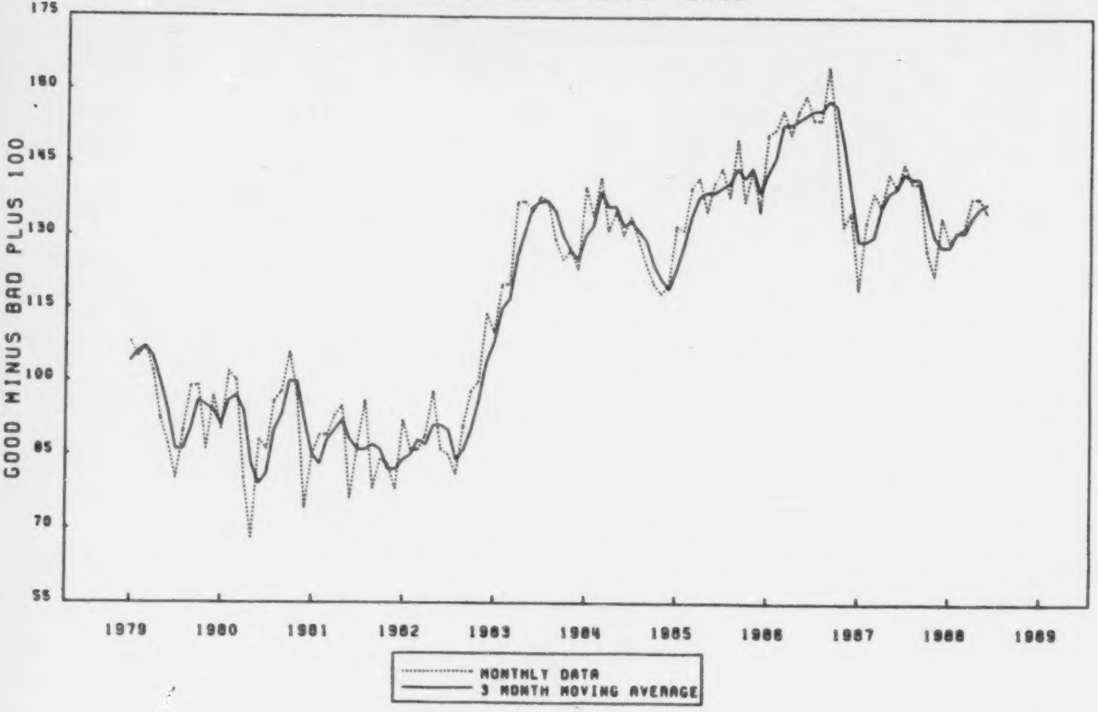


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

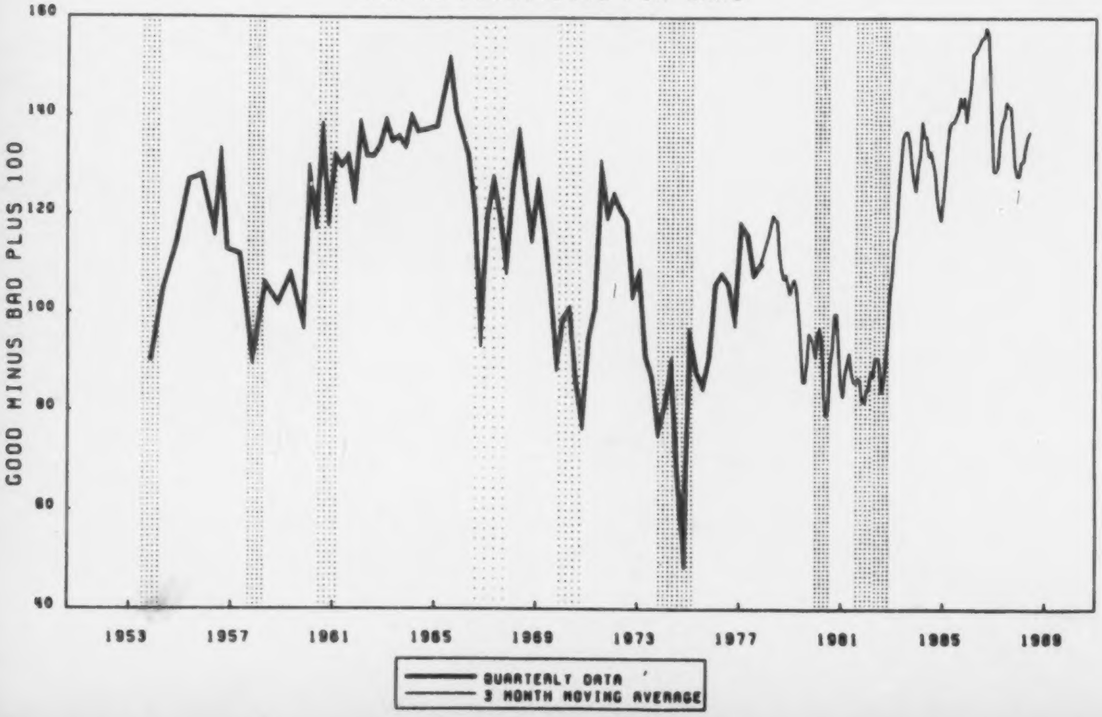


TABLE 25

BUYING CONDITIONS FOR CARS

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIME TO BUY	65%	67%	66%	66%	58%	57%	64%	59%	59%	62%	63%	64%	62%
UNCERTAIN; DEPENDS	10	11	9	9	11	8	6	11	13	8	12	10	11
BAD TIME TO BUY	25	22	25	25	31	35	30	30	28	30	25	26	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	651	654	650	500	501	500	502	500	500	504	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

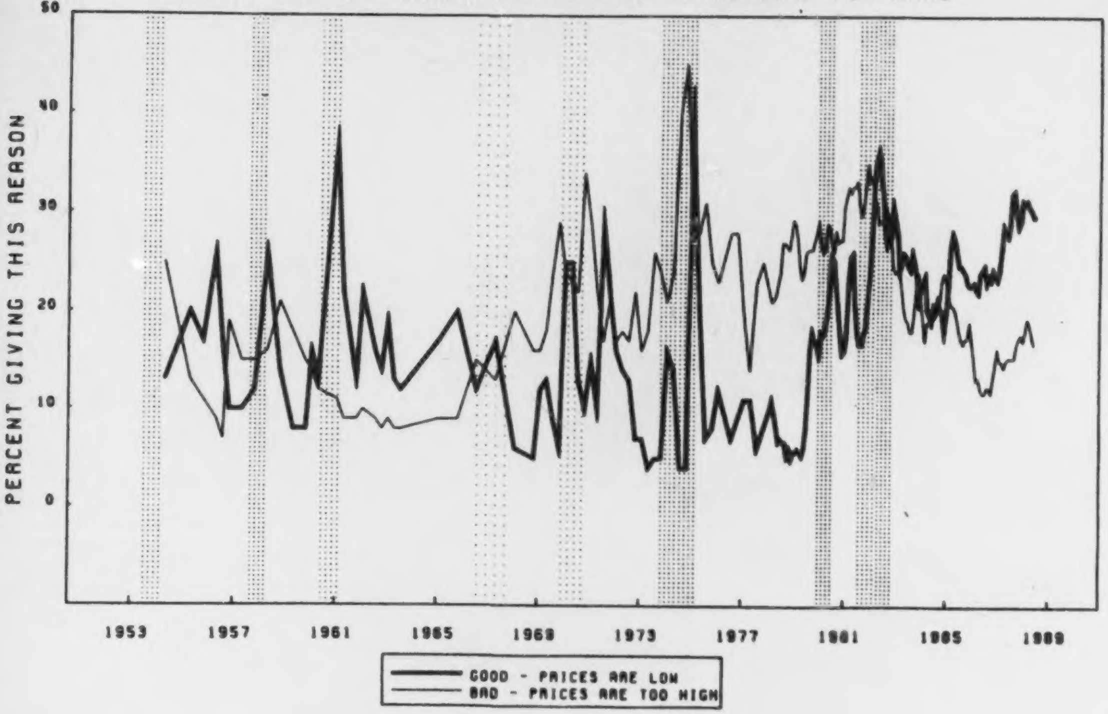


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

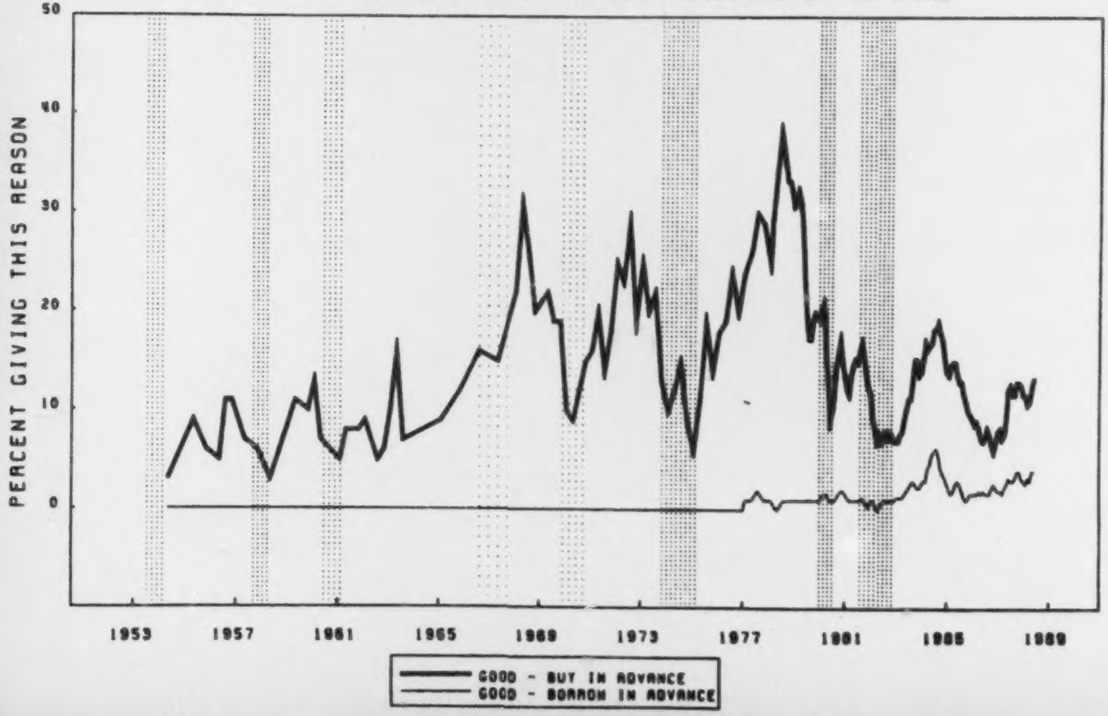


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	June 1987	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	28%	32%	36%	29%	26%	31%	31%	32%	30%	32%	30%	29%	30%
Prices won't come down; are going higher	15	10	10	15	14	10	14	11	10	11	12	14	14
Interest rates low	35	28	35	36	22	21	21	20	20	20	21	17	16
Borrow-in-advance rates	3	3	3	4	5	3	2	4	2	4	3	5	4
Times are good; prosperity	*	3	2	2	4	2	2	3	3	4	3	4	3
BAD TIME TO BUY:													
Prices are high	16	15	15	16	19	17	17	17	20	21	15	17	18
Interest rates are high; credit is tight	5	5	5	4	7	10	9	5	8	6	6	6	4
Times are bad; can't afford to buy	3	3	3	3	3	4	4	5	4	3	5	3	1
Bad times ahead; uncertain future	1	1	*	1	3	9	4	3	2	2	2	2	2
Poor selection; quality	2	3	5	4	2	2	4	4	3	3	2	2	3

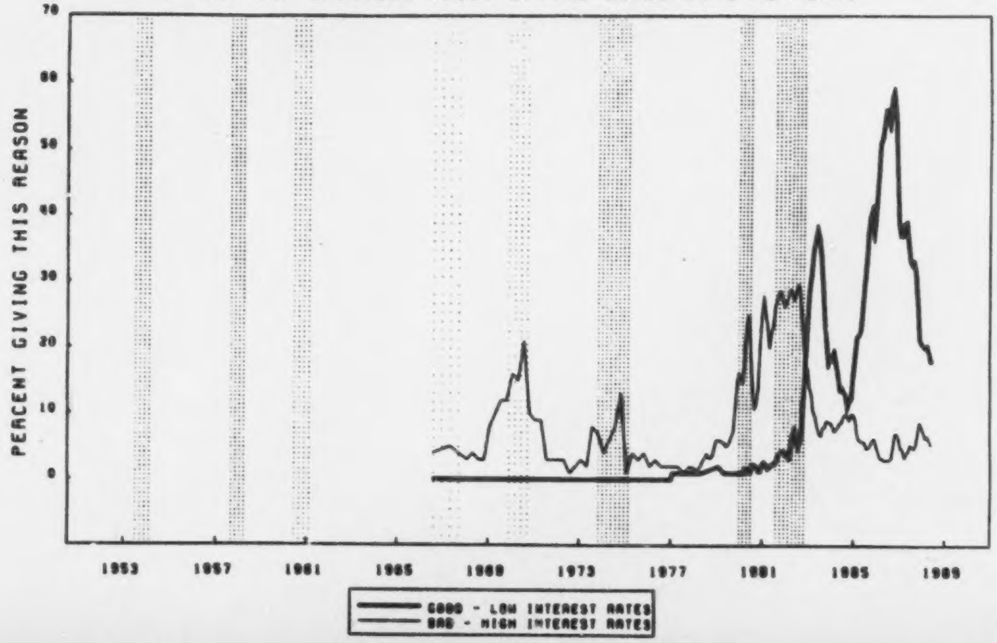
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

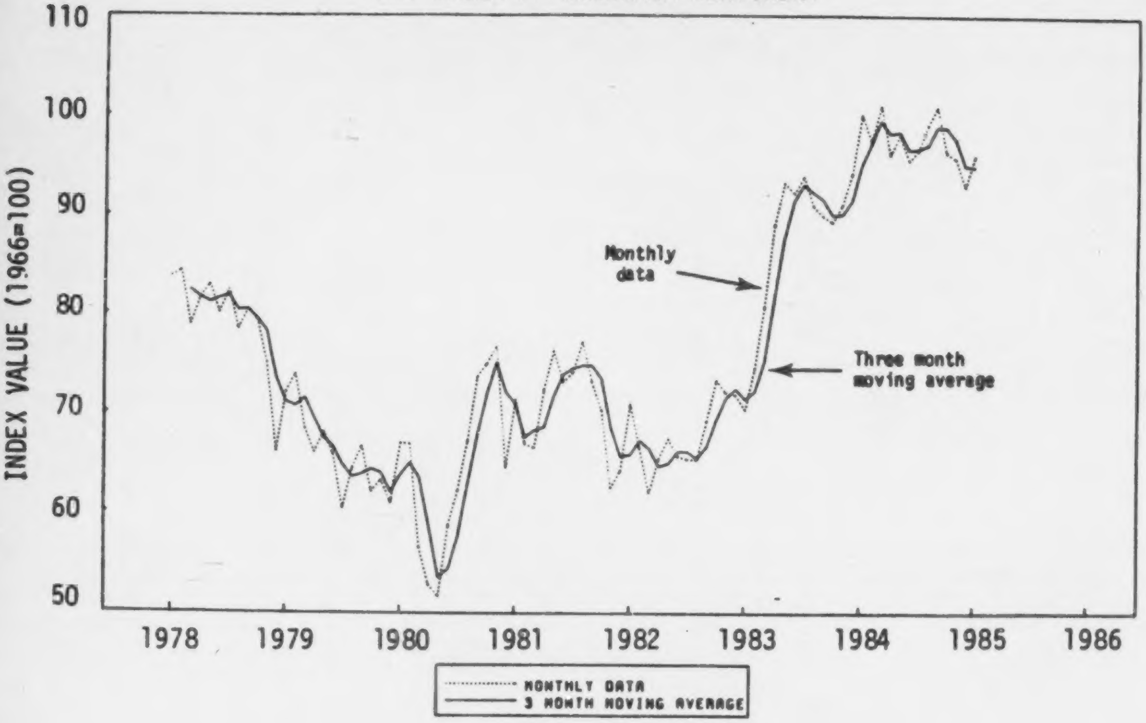
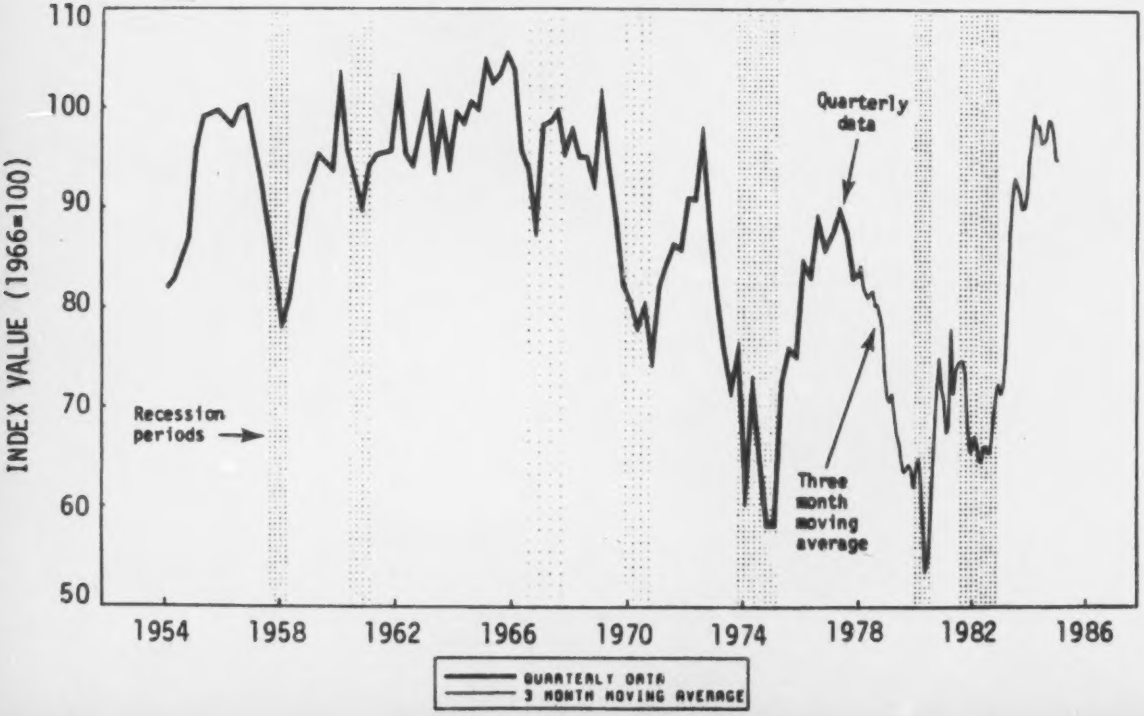


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

August 5, 1988

JULY 1988 MONTHLY SURVEY

Surveys of Consumers

Richard T. Curtin, *Director*

Cautious Optimism

Index slips

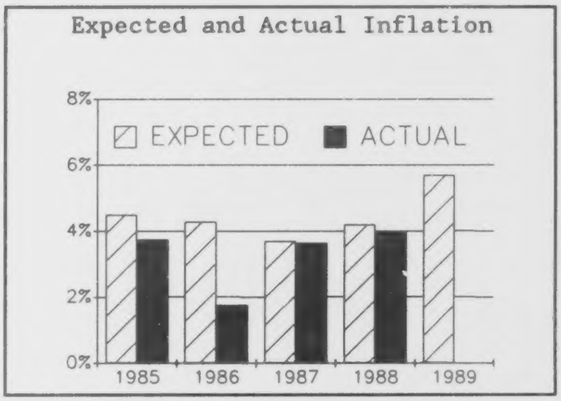
The Index of Consumer Sentiment was 93.0 in the July 1988 survey, down from 94.7 one month earlier, and 93.7 one year earlier. This small decline was due to less favorable assessments of prospects for the economy during the upcoming year. Rising inflation and interest rates continue to be of great concern to consumers.

Among families with incomes of $30,000 or more, the Index fell to 100.4 in the July 1988 survey, down two Index-points from the month and year earlier readings.

Higher Inflation Rate Expected

In the July 1988 survey, consumers expected the rate of inflation to average 5.7% during the year ahead, confirming the sharp rise to 5.6% recorded in June. This inflation outlook is substantially higher than the 4.2% recorded one year earlier, or the 3.7% recorded two years earlier. The extensive media coverage given to the drought has heightened fears of potential increases in food prices.

The accompanying chart compares the expected and actual inflation rates. Using the July surveys, consumer expectation for the year ahead inflation rate are compared with the actual percentage change in the CPI-U during that subsequent year. The survey data are led one year--thus, the July 1988 survey is shown as the expected 1989 inflation rate. The data indicate a rather close correspondence between prior expectations and the subsequent increases in prices during the past two years, while consumer expectations in 1985 were considerably higher than the actual, and very small, increase recorded in 1986. Although consumer price expectations are now at a five year high, they are still less that half the double digit levels recorded at the start of this decade.


Expected and Actual Inflation

Interest Rate Increases Expected

Interest rates were expected to increase by 64 percent of all families in the July 1988 survey, a reading that has remained largely unchanged during the past two months. This represents a substantial increase from the post crash low of 44 percent recorded in February 1988, and returns interest rate expectations to the very unfavorable levels recorded from May through October of last year.

Personal Finances Remain Strong

Despite the heightened awareness of potential increases in inflation during the year ahead, at present American families continue to view their own personal financial situation in favorable terms. Few families registered complaints about current prices, and more families reported recent income gains.

Among all families in the July 1988 survey, 45 percent reported that they were financially better off than a year earlier, up from 43 percent one month earlier, and equal to the year earlier reading. Income increases were reported by 39 percent of all families in the July survey, up from 32 percent one month earlier and 36 percent one year earlier. Just 11 percent singled out recent price increases as the cause of a worsened financial situation, largely unchanged from one and two years earlier.

Consumers continued to hold favorable prospects for their own financial situation during the year ahead. In the July 1988 survey, 36 percent of all families expected their financial situation to improve, between the 39 percent recorded one month earlier and the 34 percent recorded one year earlier. Just 10 percent of all families expected their financial situation to worsen during the year ahead.

Outlook for Economy Weakens

Consumers' evaluations of prospects for the national economy weakened in the July 1988 survey, following their strong recovery from the post crash lows. Importantly, these views still remain generally favorable, although they have weakened during the past year.

Fewer consumers thought that the economy had improved in the July 1988 survey--44 percent, down from 47 percent one month earlier and 50 percent one year earlier.

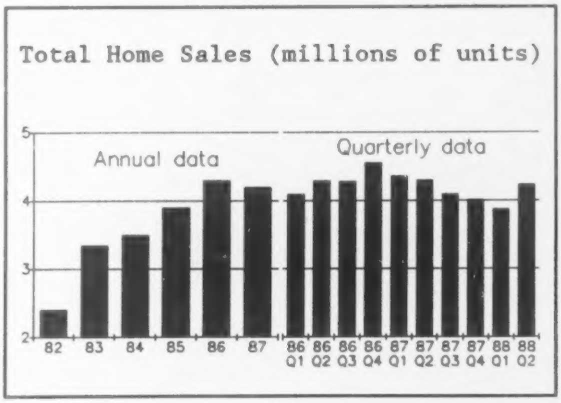
And fewer consumers expected the economy to improve during the year ahead. Good times financially in the country as a whole were expected by 44 percent of all families in the July 1988 survey, down from 54 percent in June, and 51 percent in July 1987. Bad times financially were expected by 40 percent in July 1988, up from 33 percent both one month and one year earlier.

Buying Attitudes Remain Favorable

Attitudes toward buying conditions for homes, vehicles, appliances, furniture, and home electronics have remained at favorable levels in the recent survey.

Favorable attitudes toward buying conditions for homes were held by 72 percent of all families in the July 1988 survey, a level that has remained largely unchanged during the past four months. This represents a sharp improvement over the low of 58 percent recorded last November, regaining all the ground lost during the past year.

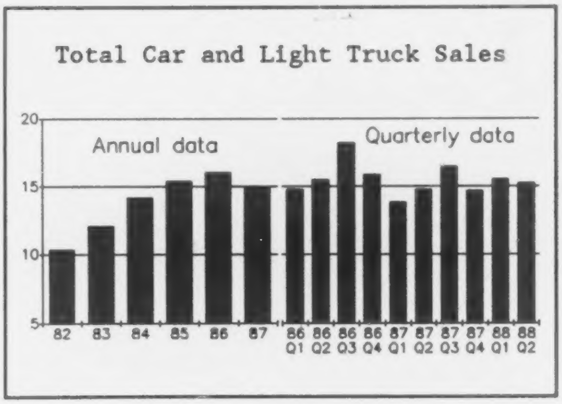
As shown in the chart below, sales of new and existing single family homes in the second quarter of 1988 posted the first quarterly increase since the end of 1986 (favorable home buying attitudes reached their cyclical peak early in 1986).



Total Home Sales (millions of units)

Favorable attitudes toward buying conditions for appliances, furniture, and home electronics were held by 79 percent of all families in the July 1988 survey, although only slightly above the 76 percent recorded last July, it is the highest proportion recorded since mid 1986.

Favorable vehicle buying attitudes were held by 62 percent of all families in July 1988, unchanged from one month earlier, somewhat lower than the year earlier reading of 67 percent. Total unit sales of cars and light trucks remained at very favorable levels during the first half of 1988, showing only a very small decline in the second quarter. The pattern of quarterly sales rates are dominated by the third quarter peaks, corresponding to the periods of deep discounting by vehicle manufactures. A pattern that consumers have now come to expect.


Total Car and Light Truck Sales

Changing Purchase Rationales

Although the overall incidence of favorable buying attitudes has not changed, the reasons given by consumers for the favorable attitudes have changed. Compared with a year earlier, consumers much less frequently cited the availability of low interest rates on credit purchases in the July 1988 survey. When asked about home buying conditions, the proportion of families that cited low mortgage rates fell to 31 from 46 percent during the past year, and for vehicle purchases, favorable mentions of low interest rates fell to 15 from 28 percent.

But the opposite was not true: complaints about high interest rates have not increased in frequency. Thus, increases in interest rates have meant that current rates are no longer viewed as a positive attraction, but thus far the extent of those increases have not been viewed as a cause for postponement of purchases.

Indeed, rather than postponement, consumers are now as likely apt to cite the appeal of borrow-in-advance of rising interest rates. In the July 1988 survey, as many families mentioned the appeal of borrowing-in-advance of rising mortgage rates as thought that current mortgage rates were already too high and cause for postponement (12 versus 11 percent).

In contrast to their reaction to impending interest rate increases, consumers are not likely to react to escalating prices with advance buying. The inflation fears are focused on food prices, not on the prices of homes, vehicles, appliances, furniture, or home electronics. Quite the contrary: consumers still expect, and are willing to wait for, price discounts.

This continued reliance on discounts is nowhere more evident than in the vehicle market. Unlike home buying attitudes, references to borrowing-in-advance of rising interest rates on vehicle loans have not increase in frequency. This reflects the now more common reaction of consumers to wait for renewed discounting by vehicle manufacturers rather than speed up their purchases. In it place, the strength in vehicle buying attitudes has been maintained by the continued availability of price discounts.

8/10/88

U7475-2 A

SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

JULY 1988

The July 1988 survey was the 240th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

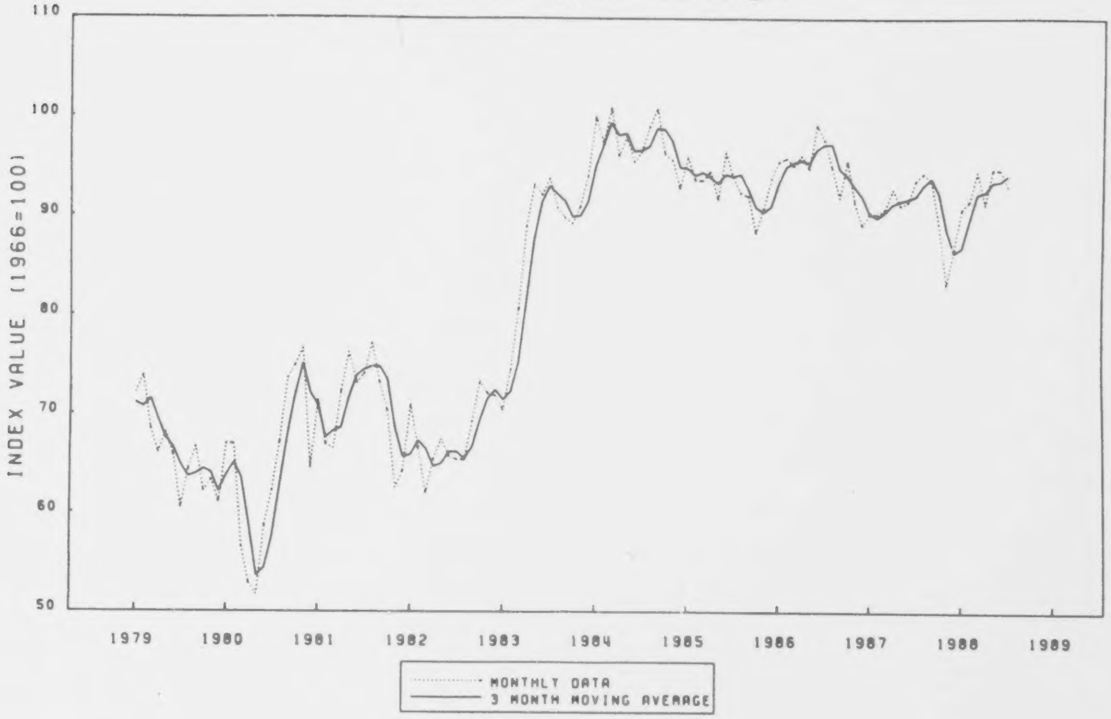


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

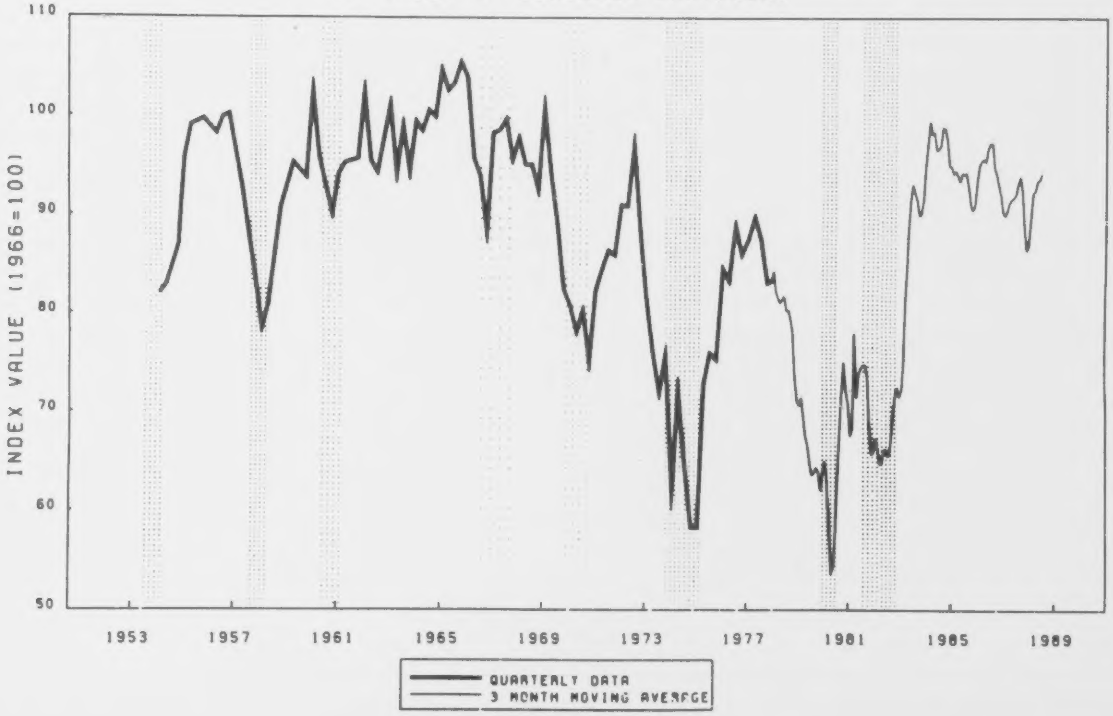


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.0	100.4	103.3

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

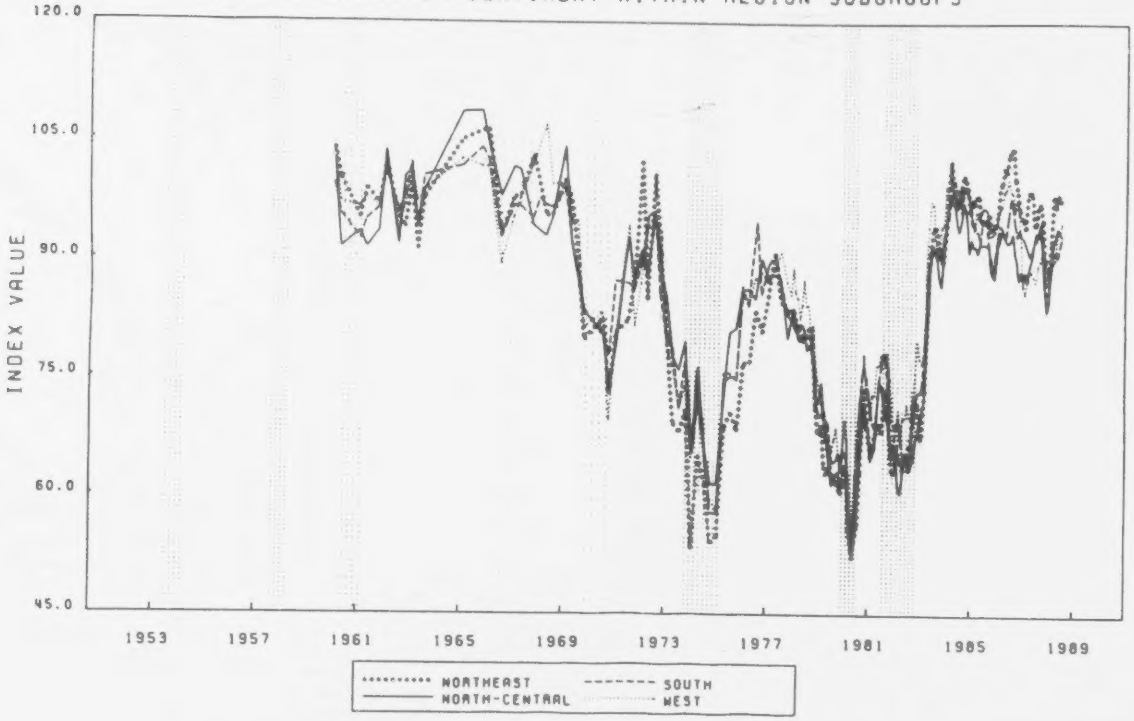


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

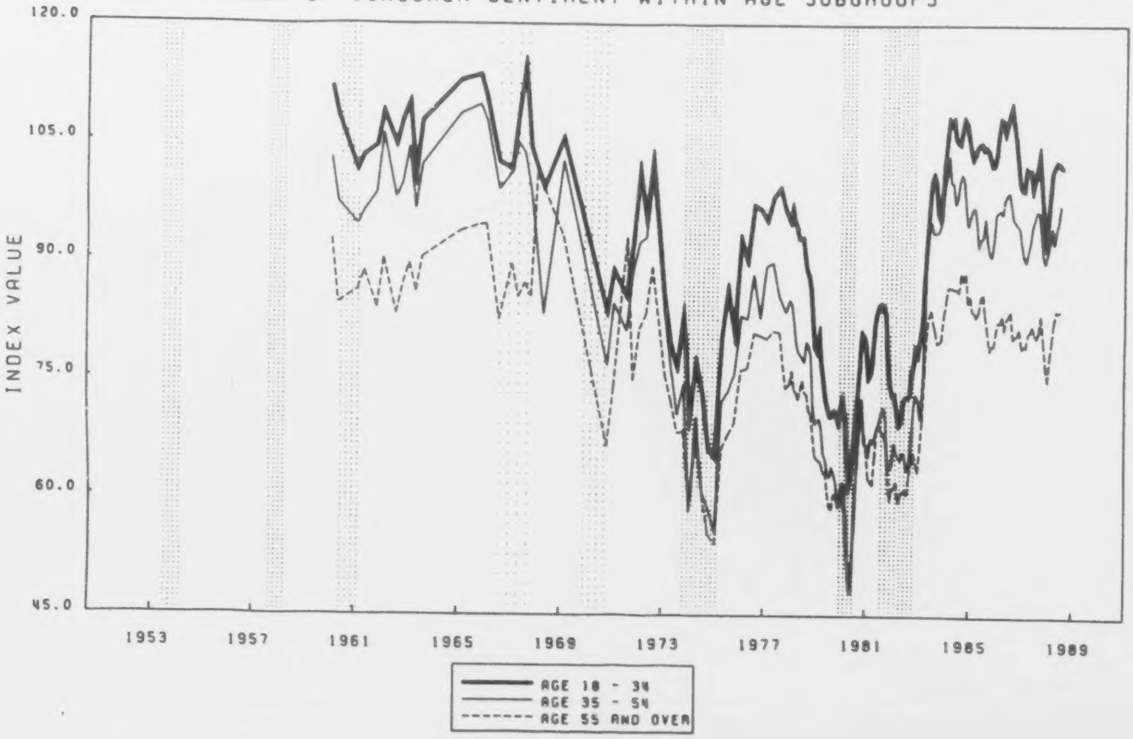


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June	1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July	1988	97.5	92.3	92.0	91.8	98.3	93.8	87.1

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

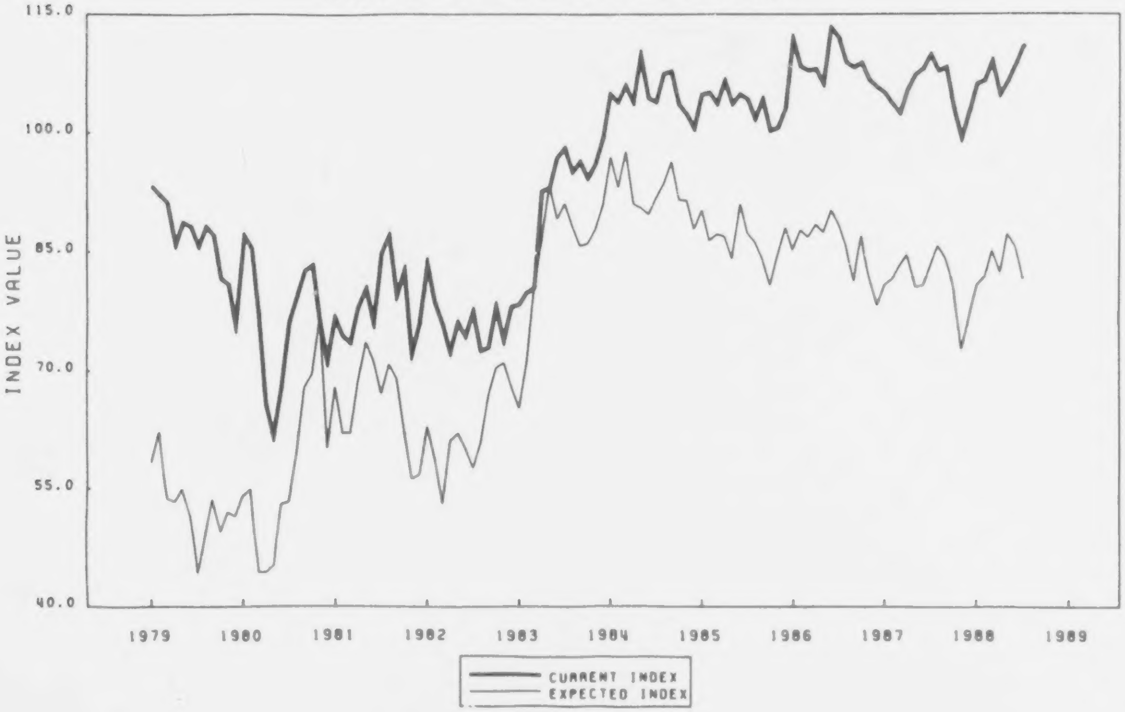


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

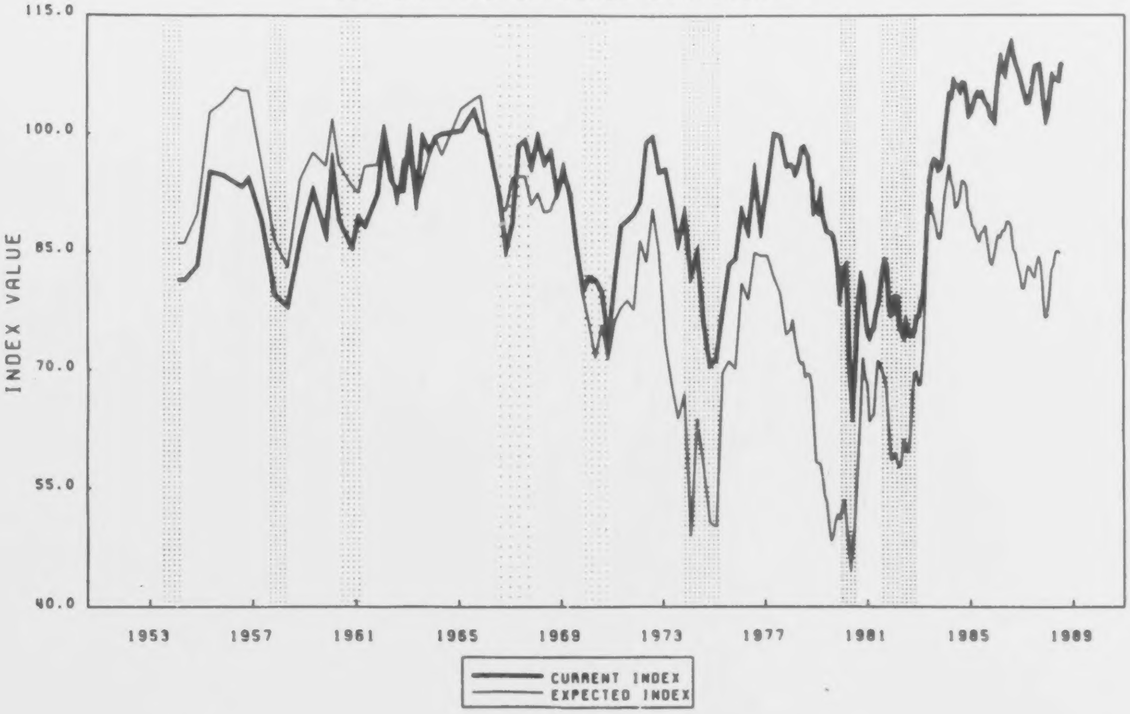


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	121	126	104	96	167	110.9	81.5

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

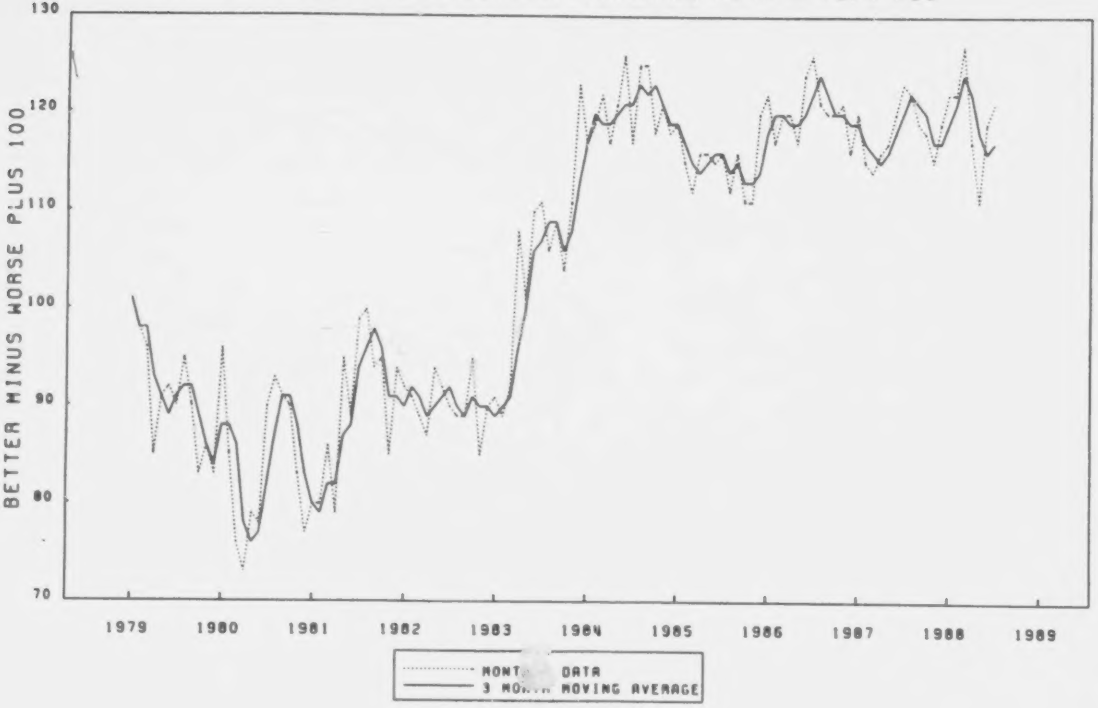


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

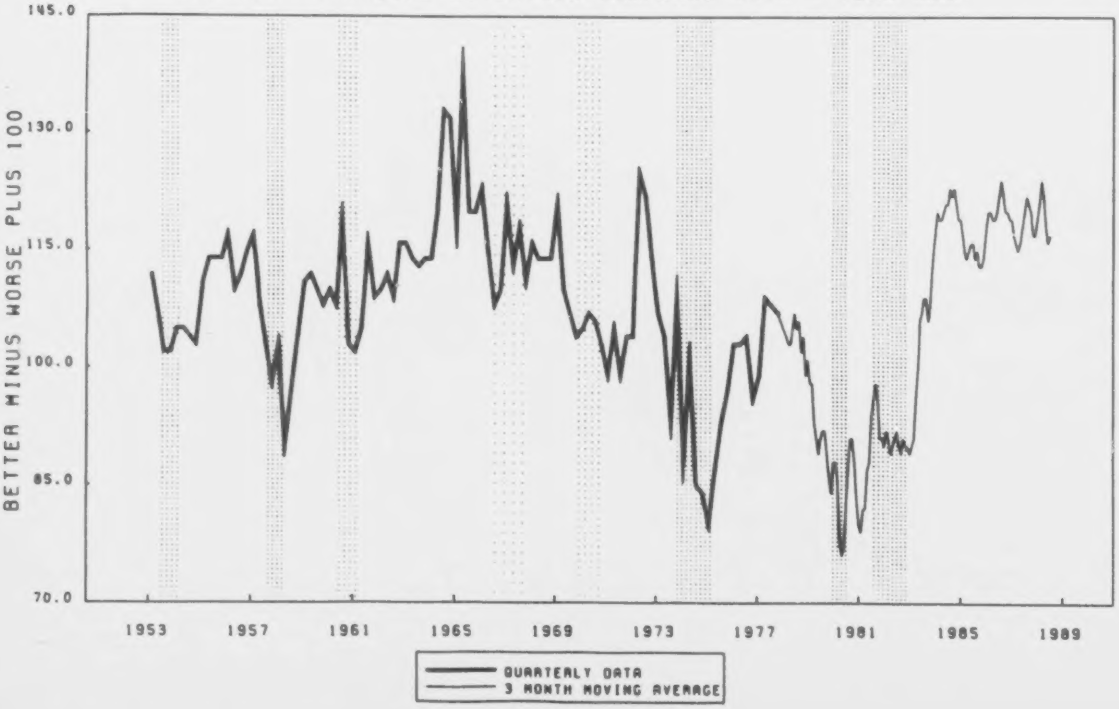


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER OFF	45%	45%	42%	43%	42%	43%	46%	47%	49%	41%	40%	43%	45%
SAME	32	32	34	32	31	33	29	27	29	34	31	32	30
WORSE OFF	22	23	23	25	27	24	24	25	22	24	29	24	24
DK,NA	1	*	1	*	*	*	1	1	*	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

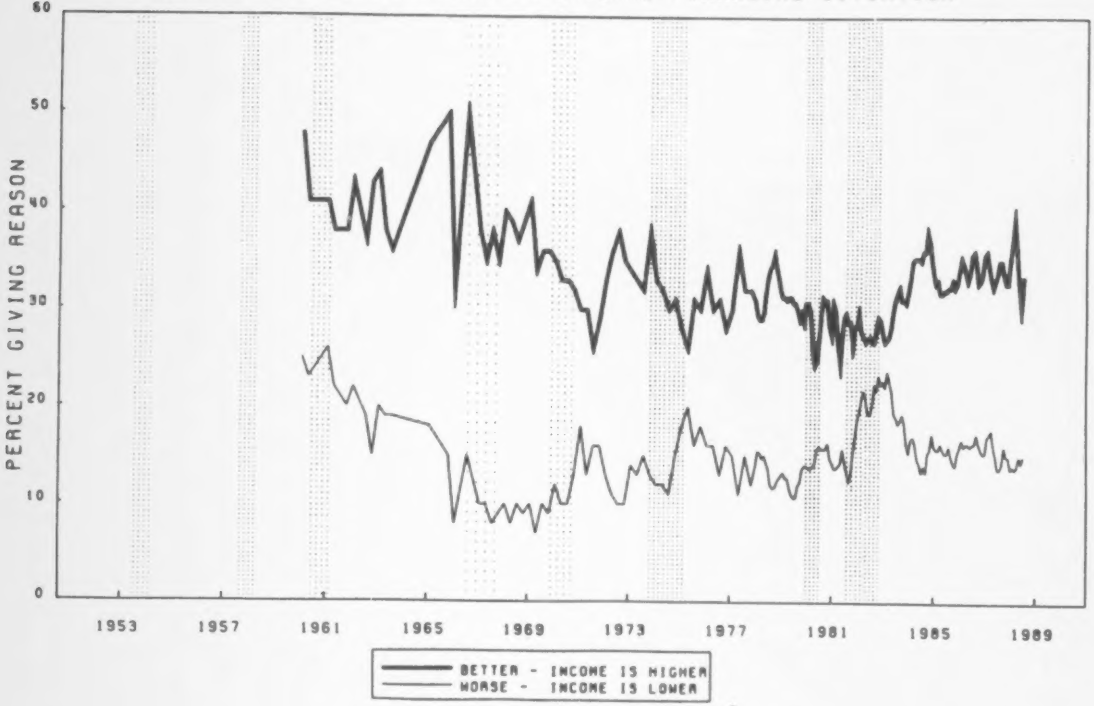


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

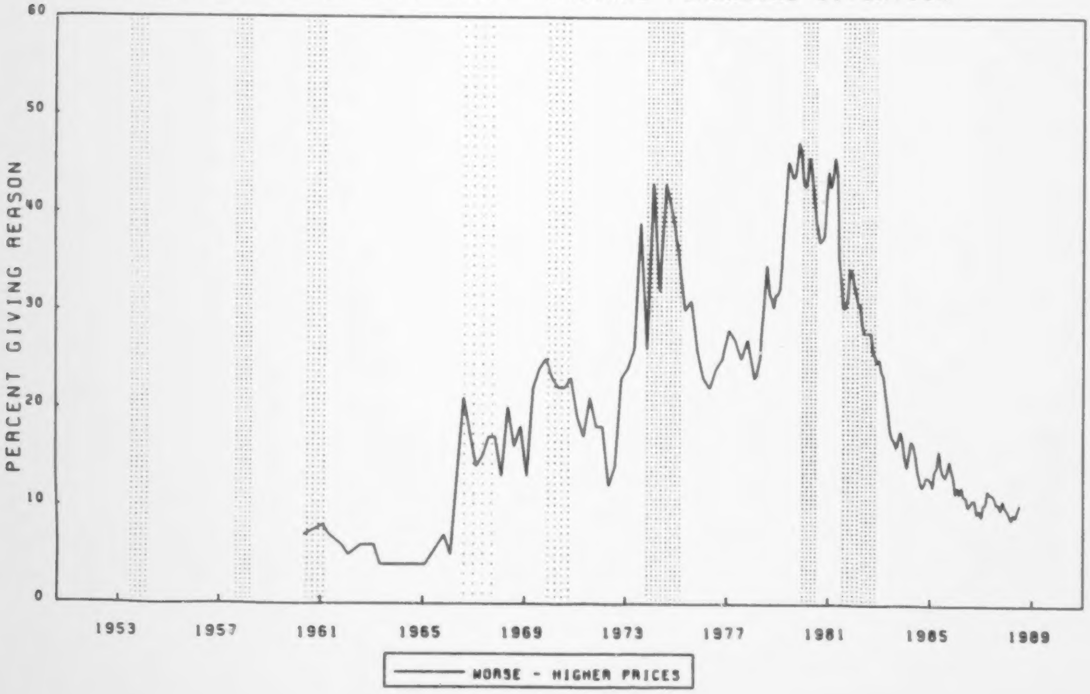


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	36%	36%	33%	32%	33%	33%	39%	39%	40%	30%	29%	32%	39%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	15	16	17	12	16	13	13	15	14	16	13	16
Higher prices	10	9	12	8	12	10	7	11	8	9	10	10	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

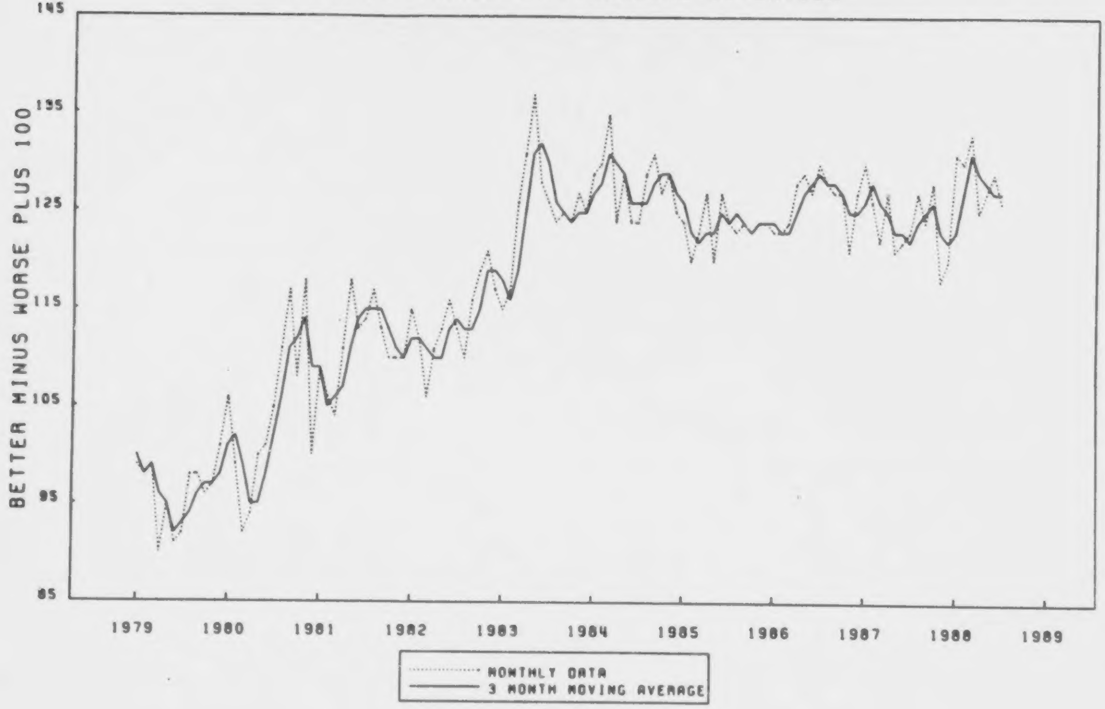


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

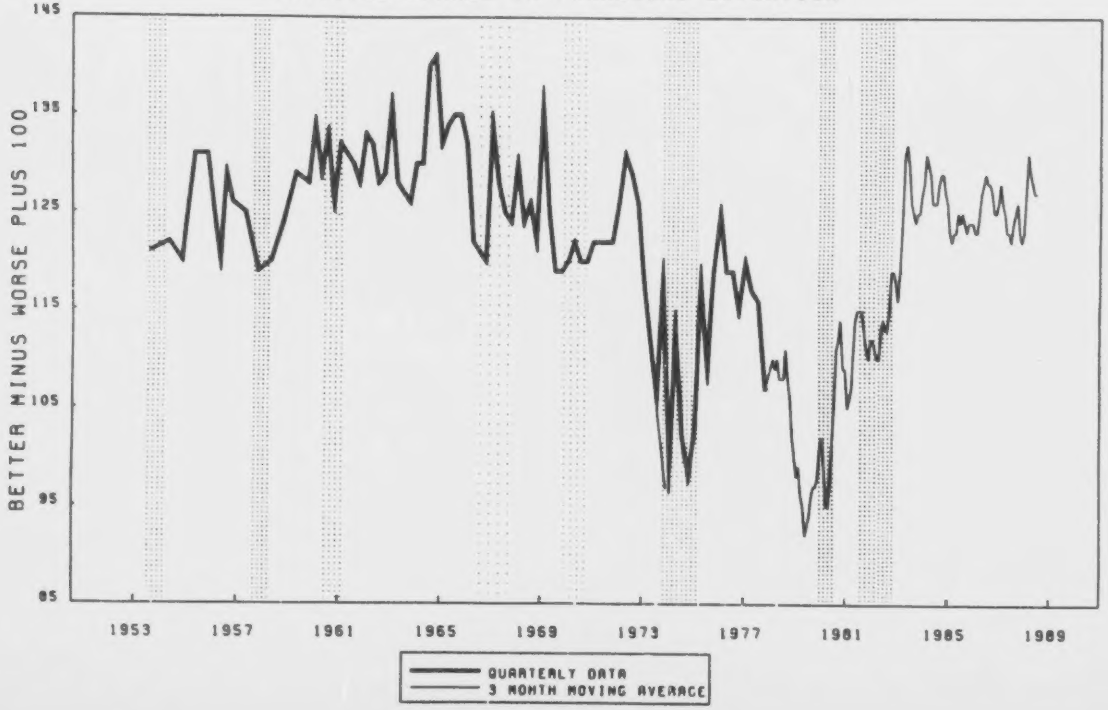


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER OFF	34%	39%	35%	37%	33%	32%	38%	39%	39%	34%	36%	39%	36%
SAME	52	46	49	51	49	51	53	48	52	54	52	48	49
WORSE OFF	11	12	11	9	15	12	7	9	6	9	9	10	10
DK,NA	3	3	5	3	3	5	2	4	3	3	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

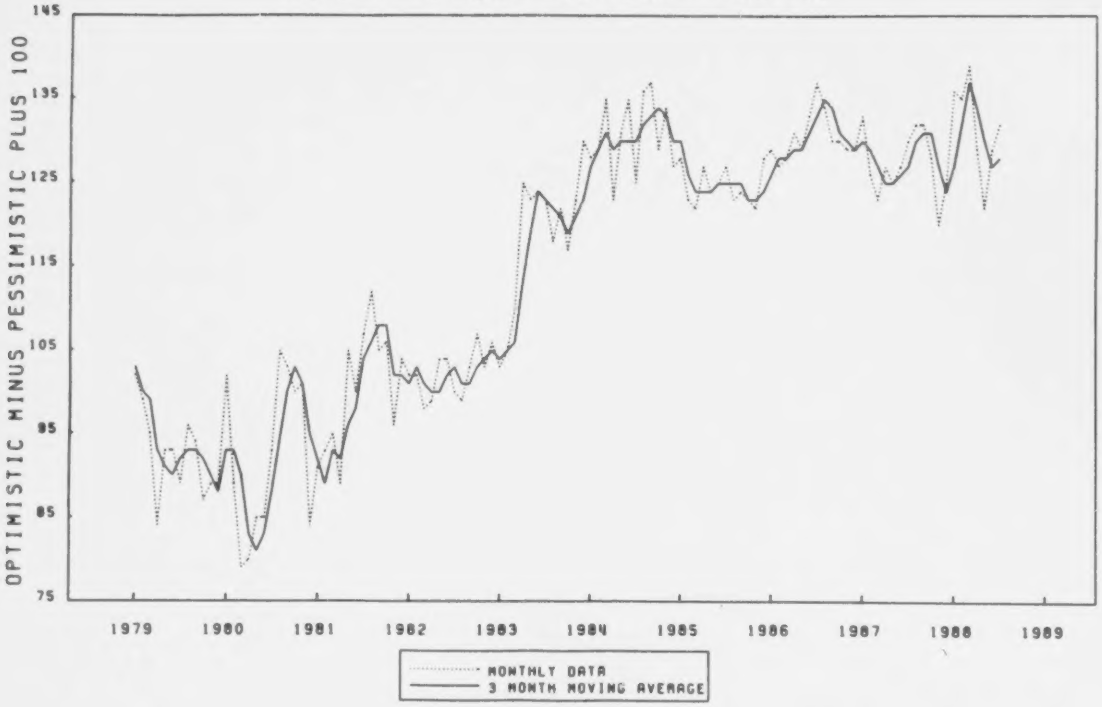


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

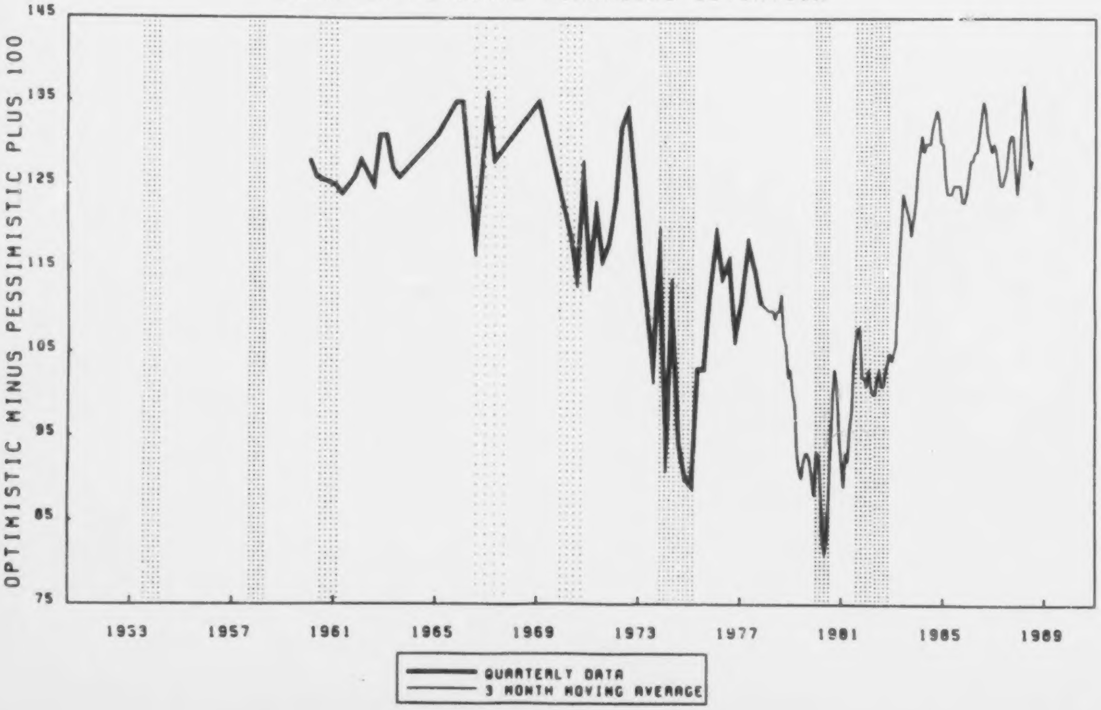


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	19%	23%	18%	23%	19%	17%	21%	20%	25%	18%	19%	24%	20%
Intermittant increase (b)	29	29	31	24	25	27	31	31	30	30	24	25	30
Remain unchanged (c)	20	16	19	21	18	19	19	15	17	20	21	19	16
Intermittant decline (d)	14	16	12	15	18	17	13	13	13	16	17	16	13
Continuous decline (e)	4	4	5	4	6	2	3	3	3	3	4	4	5
Mixed change (f)	10	9	10	10	11	13	11	13	9	9	13	9	11
DK,NA	4	3	5	3	3	5	2	5	3	4	2	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

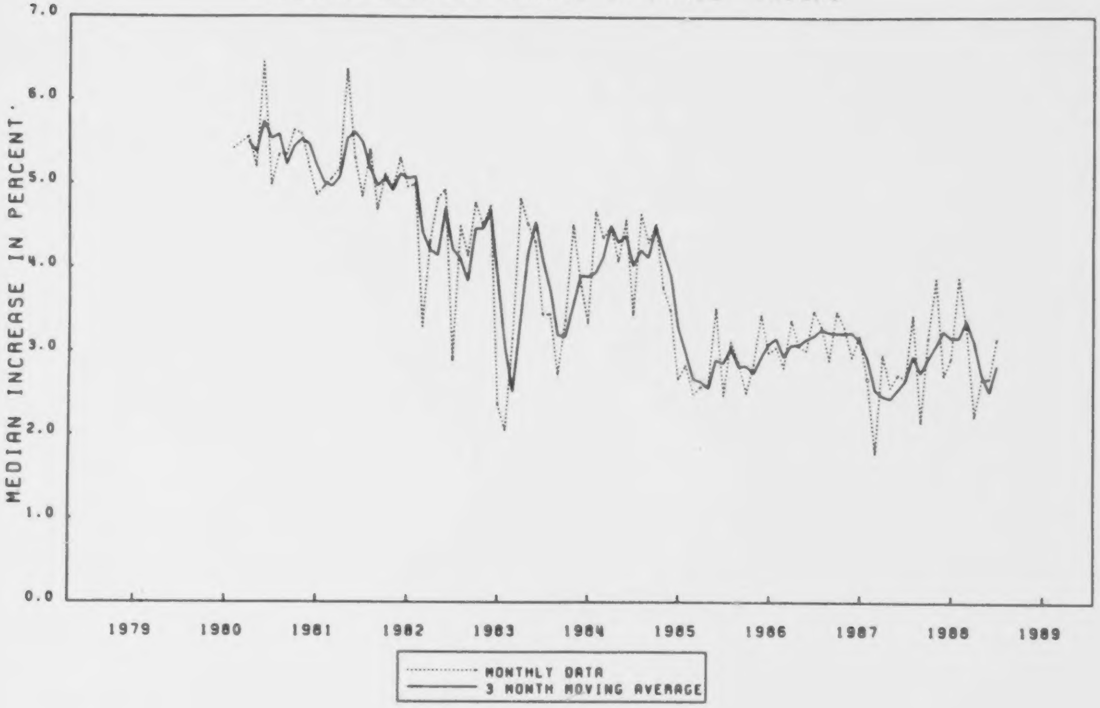


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

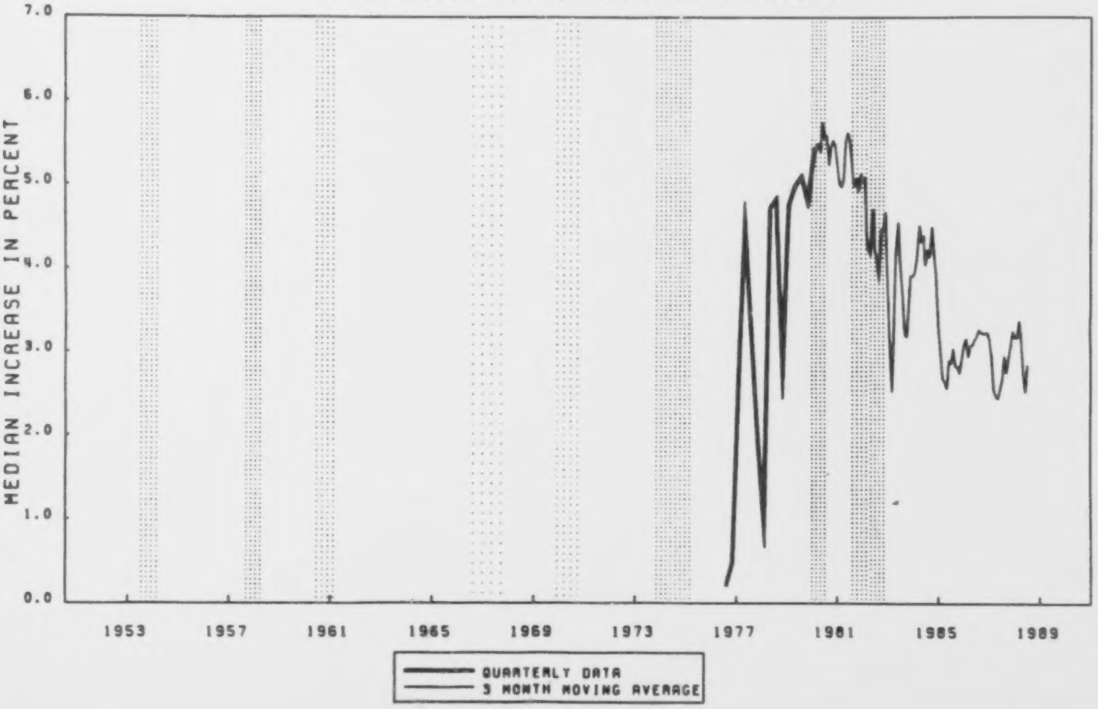


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
EXPECT INCREASE:													
1-4%	18%	17%	17%	15%	18%	19%	18%	16%	16%	16%	15%	15%	17%
5%	9	12	13	10	11	10	12	15	11	9	12	9	10
6-9%	7	6	6	9	8	8	7	8	7	6	7	7	10
10-24%	16	17	10	15	18	14	15	17	17	14	13	15	14
25% or more	6	8	6	5	7	4	6	5	7	6	9	6	6
DK how much up	4	4	5	6	2	3	4	2	2	6	2	5	5
EXPECT SAME	27	23	30	25	21	23	27	23	29	30	28	28	26
EXPECT DOWN	13	11	11	13	13	19	10	12	9	12	13	13	11
DK,NA	*	2	2	2	2	*	1	2	2	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

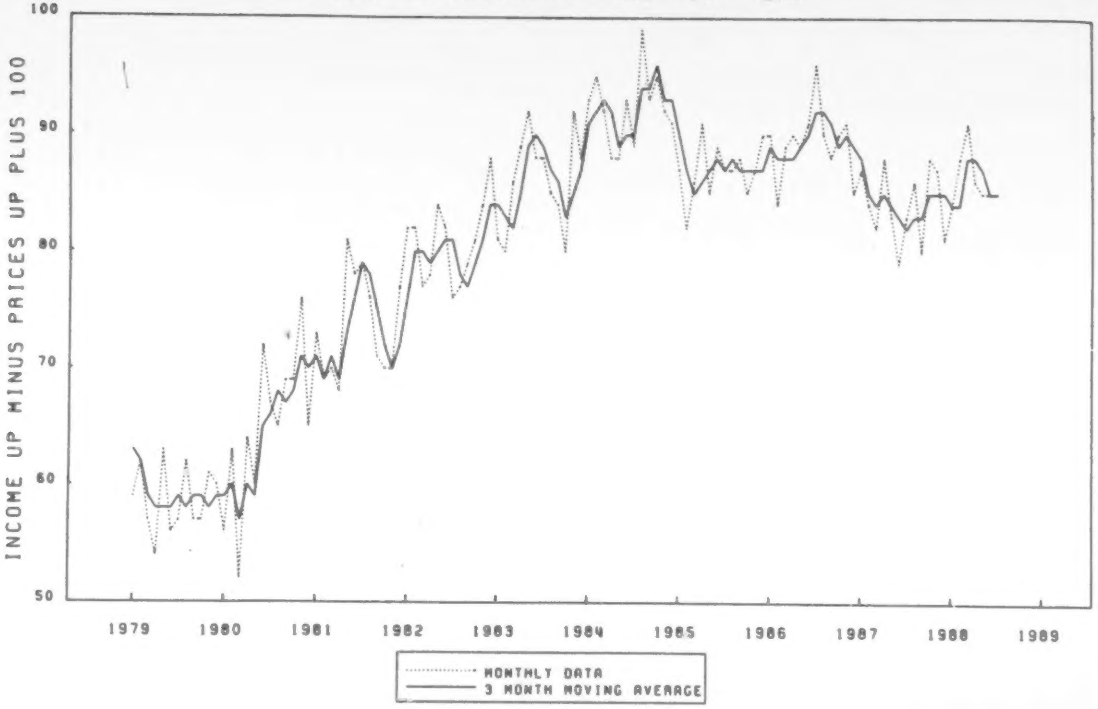


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

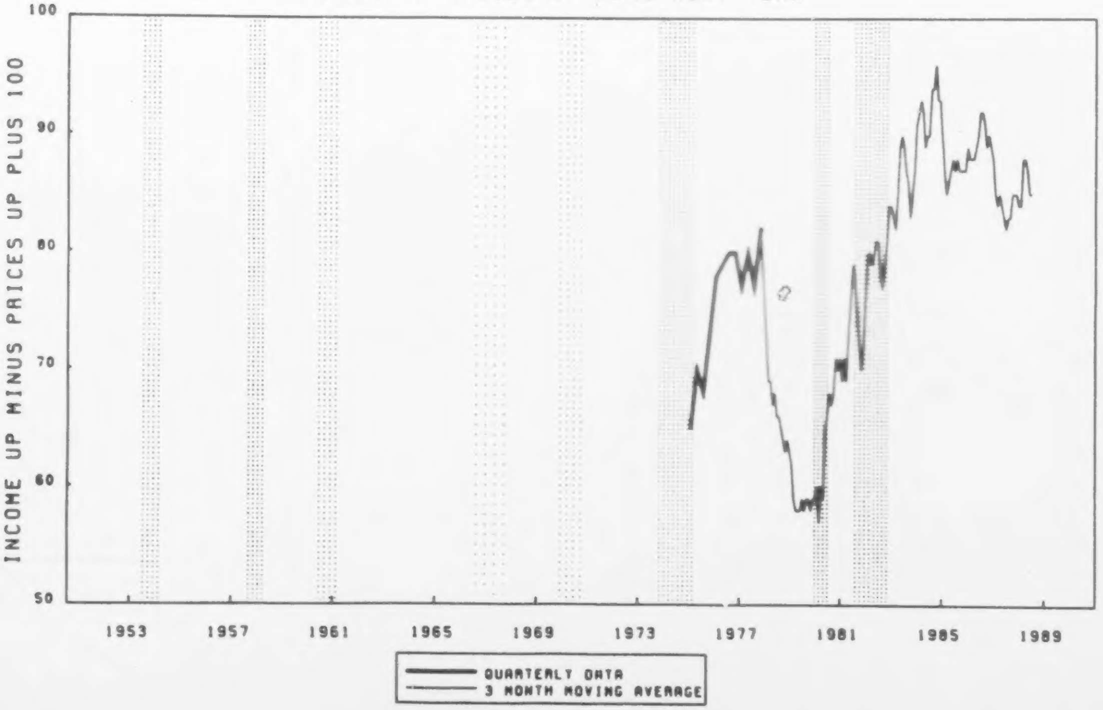


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
INCOME UP MORE	17%	21%	18%	20%	22%	19%	19%	20%	22%	19%	19%	18%	19%
INCOME UP SAME	47	42	42	45	43	41	44	45	44	47	44	46	45
PRICES UP MORE	34	35	38	32	35	38	35	32	31	33	34	33	34
DK,NA	2	2	2	3	*	2	2	3	3	1	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

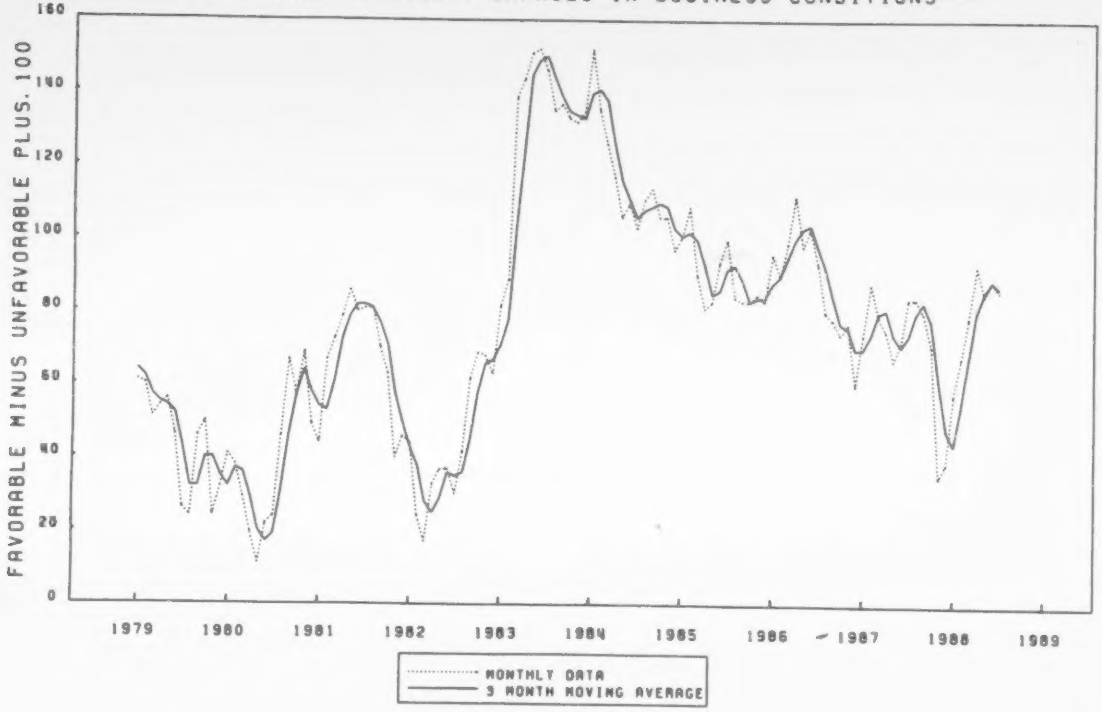


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

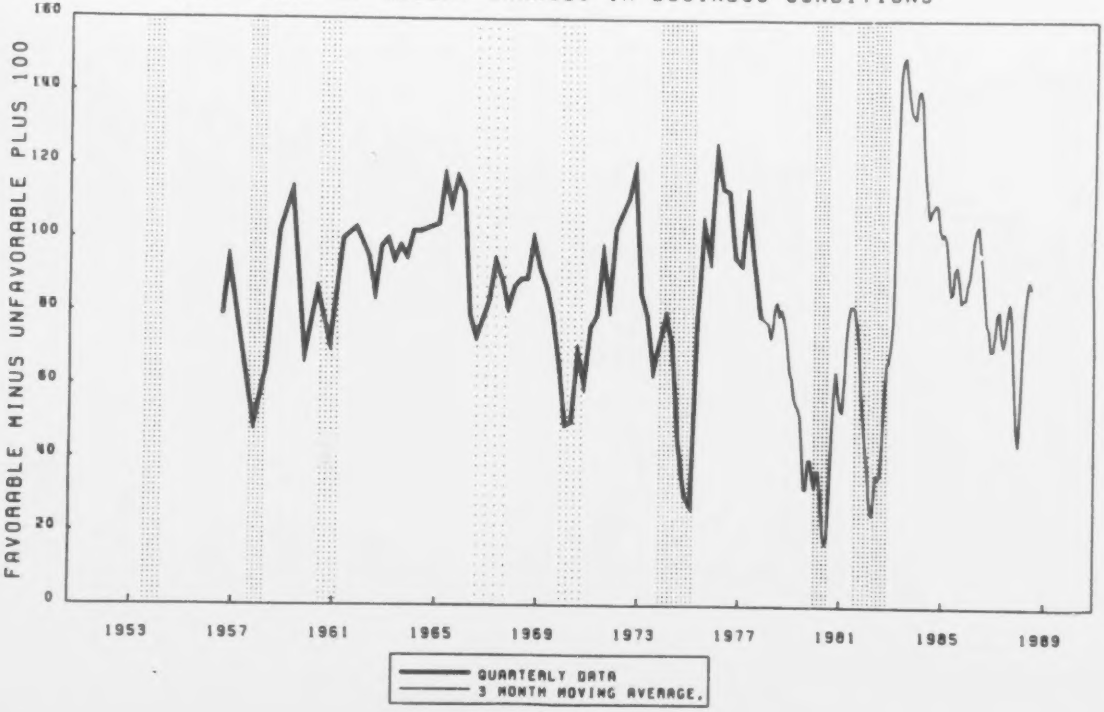


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
FAVORABLE NEWS	29%	32%	24%	25%	18%	18%	23%	26%	29%	30%	33%	29%	30%
UNFAVORABLE NEWS	45	48	44	54	83	79	65	58	50	37	48	40	44
NO MENTIONS	50	47	53	47	32	36	41	42	45	51	44	50	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

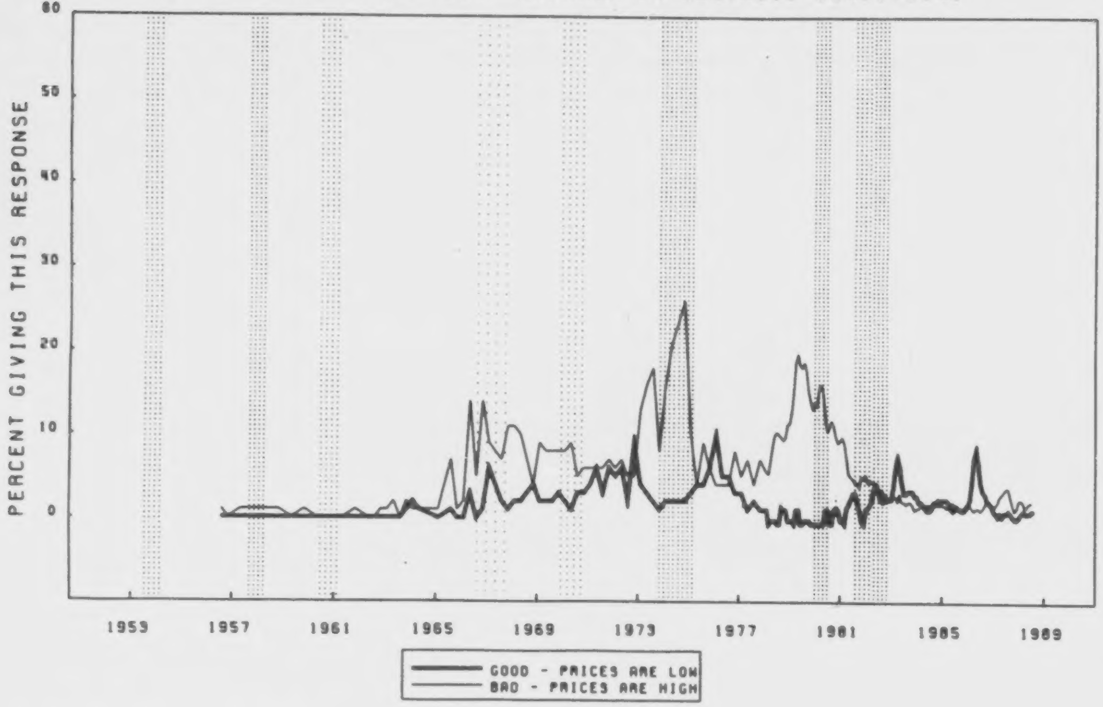


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

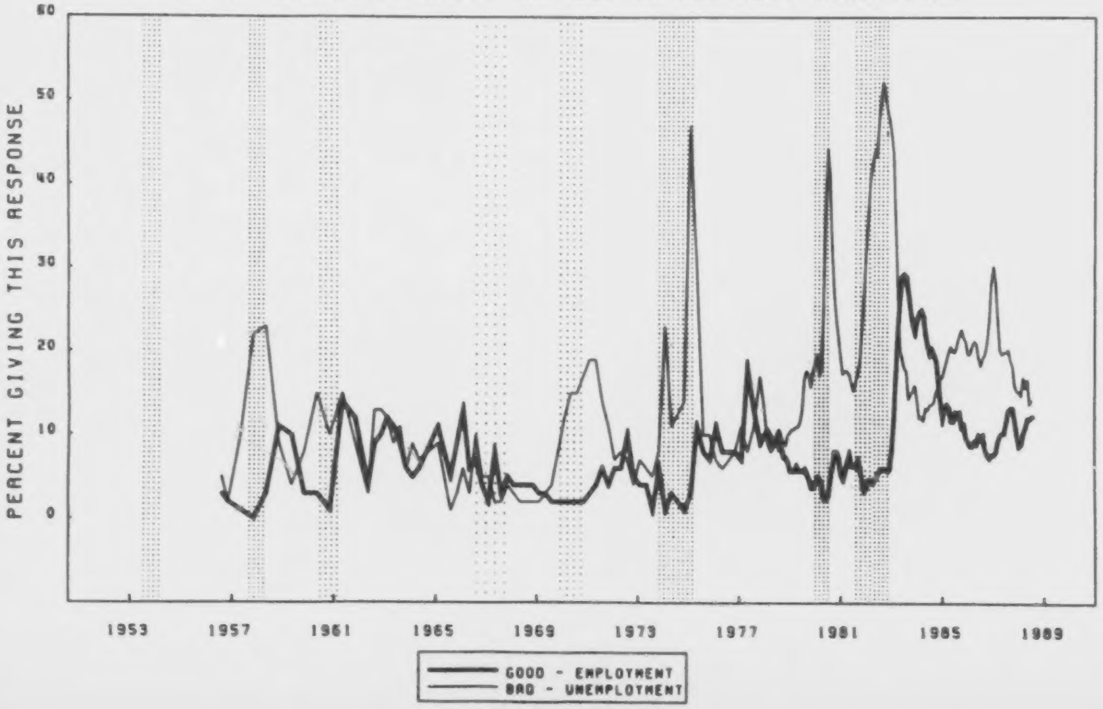


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
FAVORABLE NEWS:													
Government; elections	2%	3%	1%	*	*	1%	1%	1%	1%	2%	3%	2%	1%
Employment	13	15	12	13	10	7	9	11	11	11	14	11	12
Higher consumer demand	*	1	*	1	1	1	2	1	2	1	3	1	3
Lower prices	1	1	*	*	*	*	1	1	1	*	1	1	1
Easier credit	2	1	1	1	1	2	1	4	2	2	2	1	1
Stock market	2	3	2	3	2	1	*	1	2	3	2	3	3
Trade deficit	2	1	1	1	1	1	3	2	3	2	1	2	1
UNFAVORABLE NEWS:													
Government; elections	5	5	3	5	6	6	6	6	3	5	5	6	4
Unemployment	18	22	17	16	15	15	16	13	22	12	16	13	14
Lower consumer demand	3	2	1	3	5	4	4	3	1	3	3	2	2
Higher prices	4	3	1	1	1	2	4	1	1	2	2	2	2
Tighter credit	4	2	5	6	5	3	1	2	1	1	4	3	3
Stock market	2	2	2	11	38	32	21	18	10	7	7	6	5
Trade deficit	4	6	3	4	4	7	6	4	3	3	4	3	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

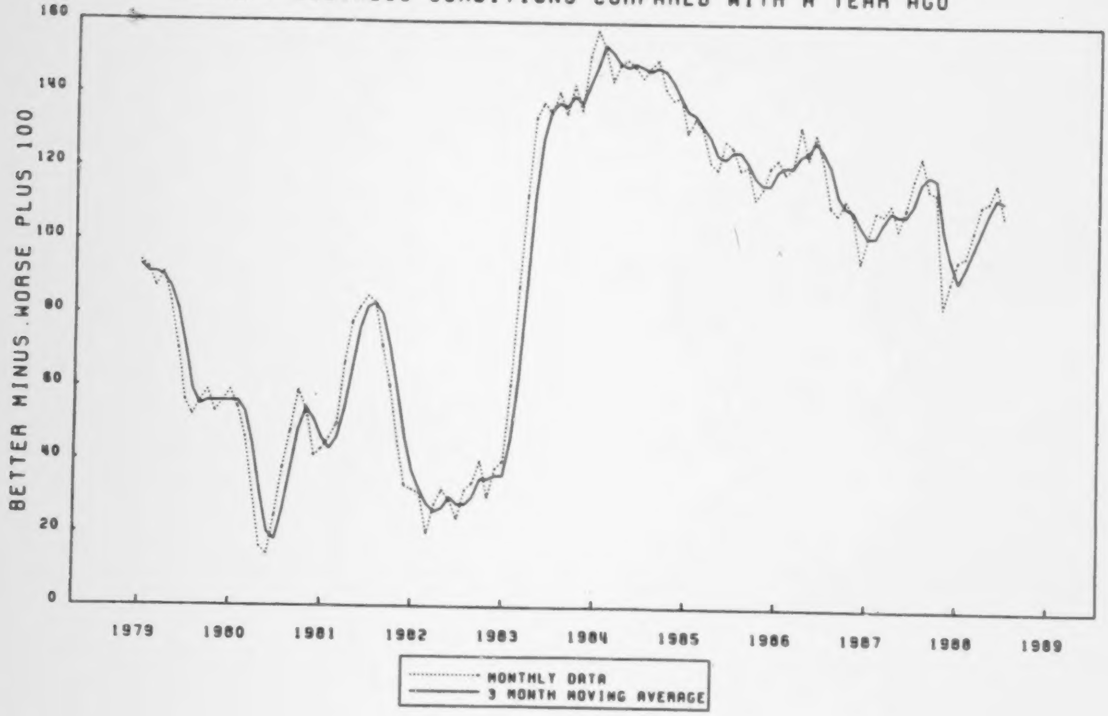


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

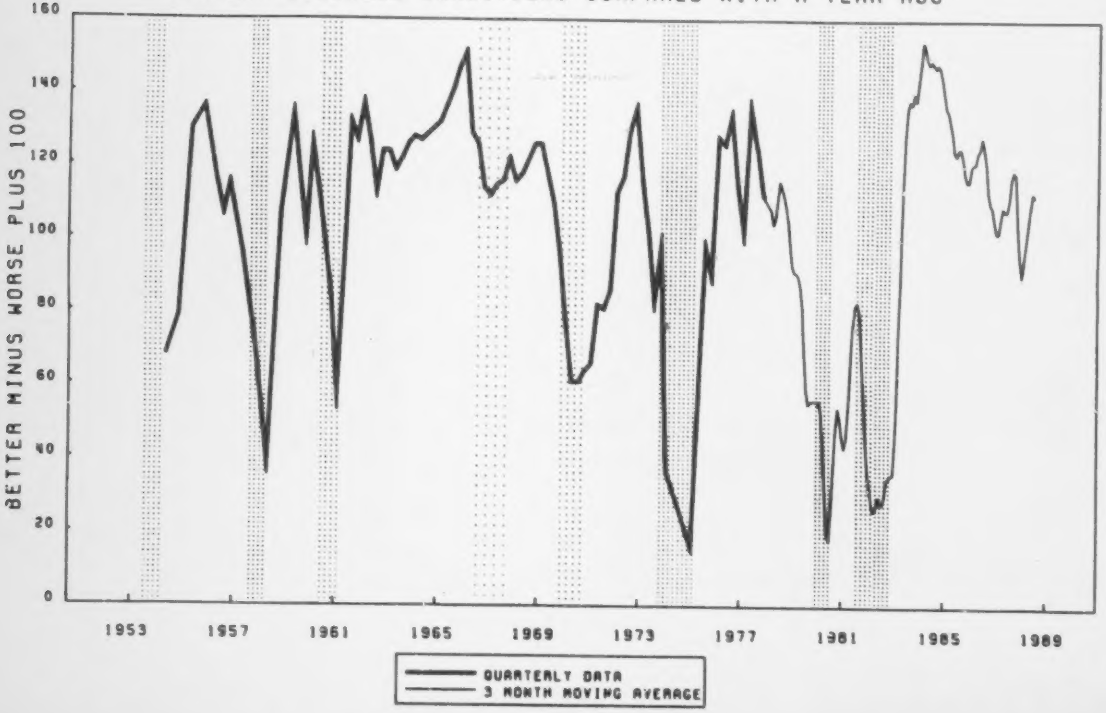


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER NOW	50%	54%	49%	49%	33%	36%	40%	41%	40%	47%	47%	47%	44%
SAME	16	14	14	14	16	15	14	13	21	14	17	21	16
WORSE NOW	32	30	34	35	50	46	44	44	36	36	35	30	36
DK,NA	2	2	3	2	1	3	2	2	3	3	1	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

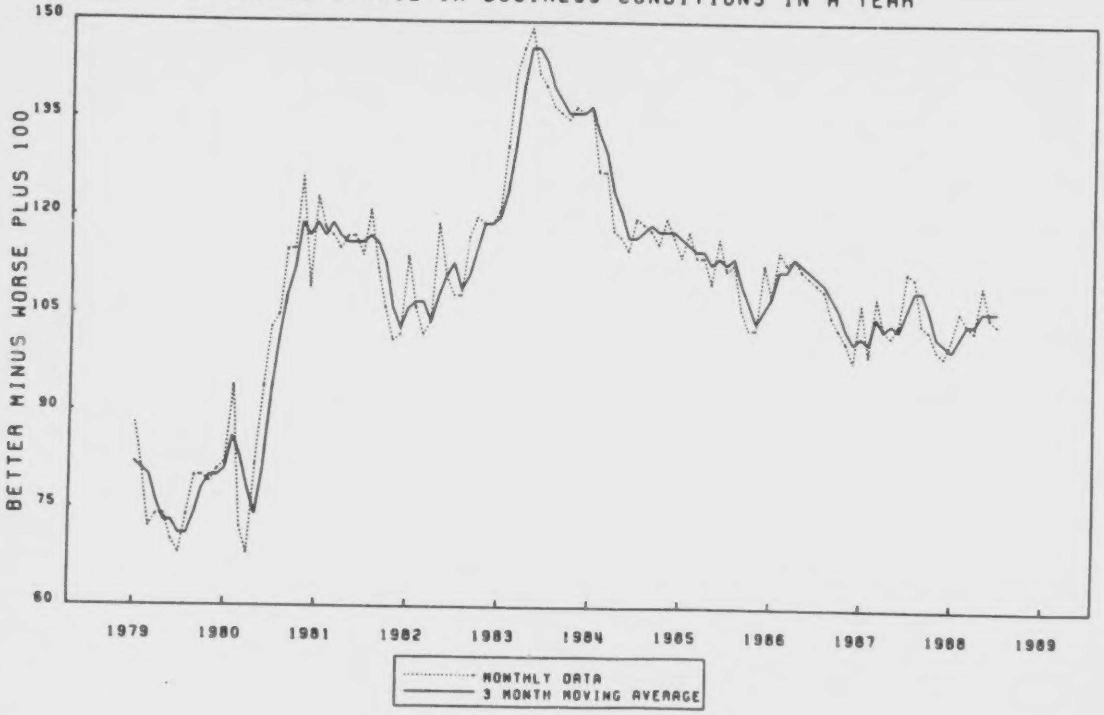


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

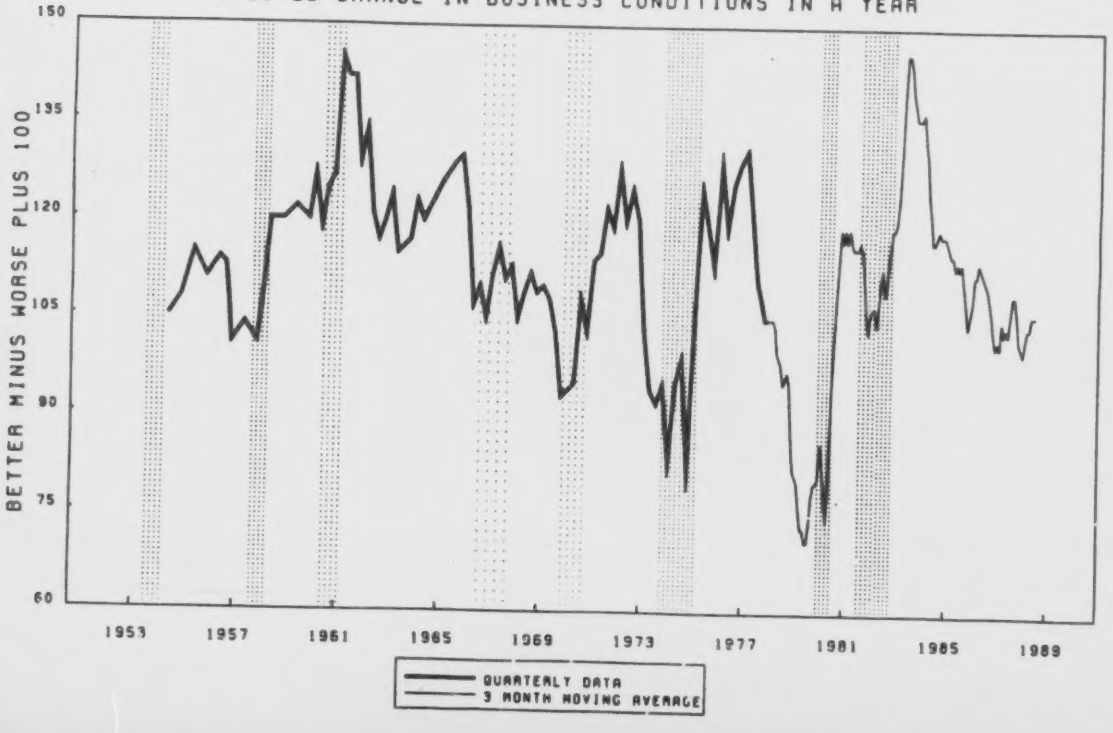


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER	26%	25%	21%	22%	23%	22%	21%	23%	21%	21%	26%	24%	23%
SAME	56	57	58	57	52	53	58	58	58	57	53	54	52
WORSE	14	14	17	19	23	23	19	17	17	18	16	19	19
DK,NA	4	4	4	2	2	2	2	2	4	4	5	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

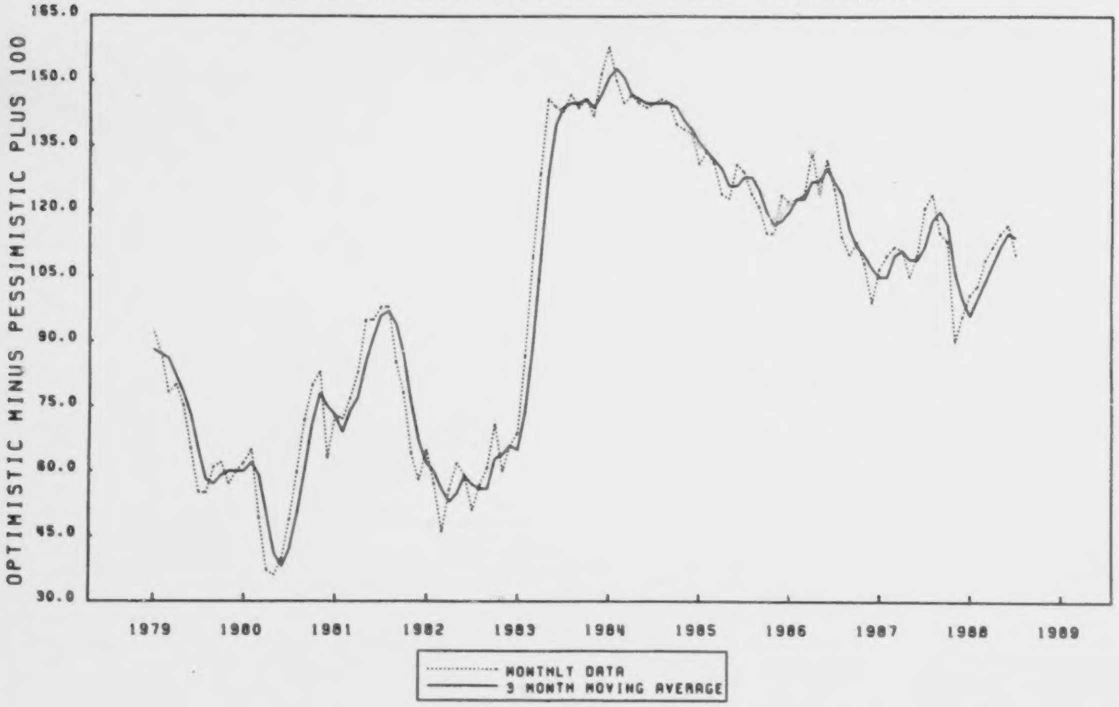


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

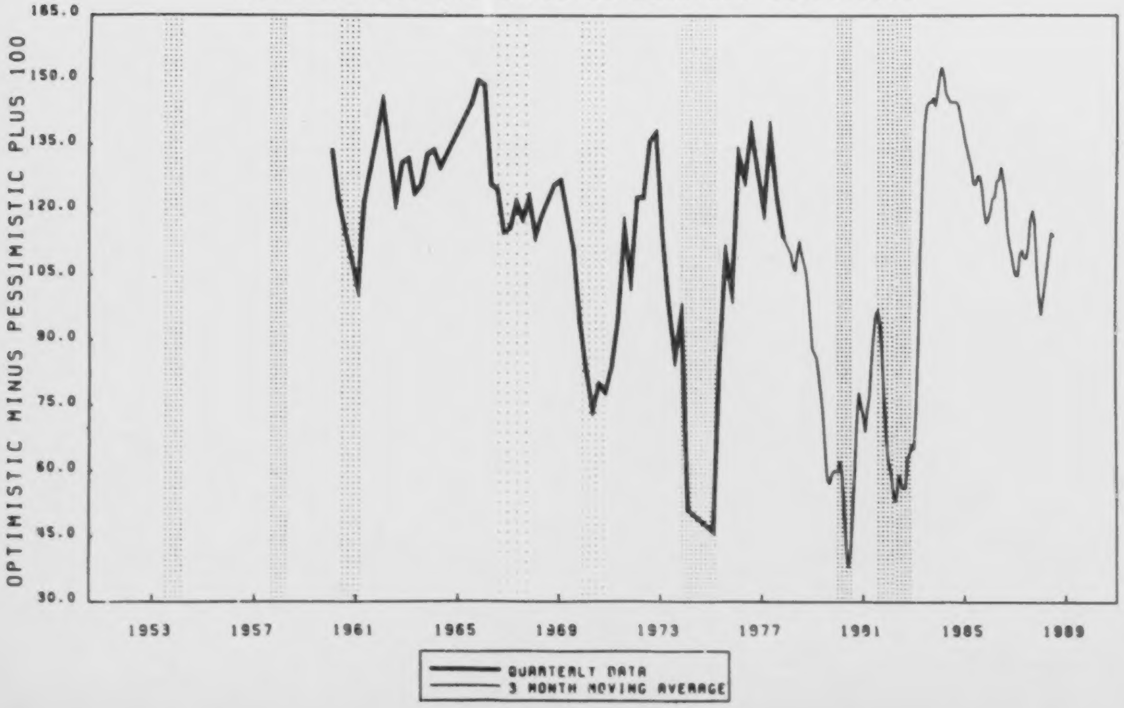


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
TREND:													
Continuous increase (a)	17%	19%	14%	16%	10%	10%	11%	12%	10%	14%	16%	15%	11%
Intermittant increase (b)	33	33	32	29	22	24	29	27	30	30	29	30	28
Remain unchanged (c)	9	9	9	10	10	10	8	10	12	9	9	13	10
Intermittant decline (d)	19	20	21	21	26	22	25	24	21	20	20	18	19
Continuous decline (e)	10	8	10	11	16	16	14	12	10	12	10	10	10
Mixed change (f)	7	6	9	10	14	13	10	11	11	9	11	10	13
DK,NA	5	5	5	3	2	5	3	4	6	6	5	4	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

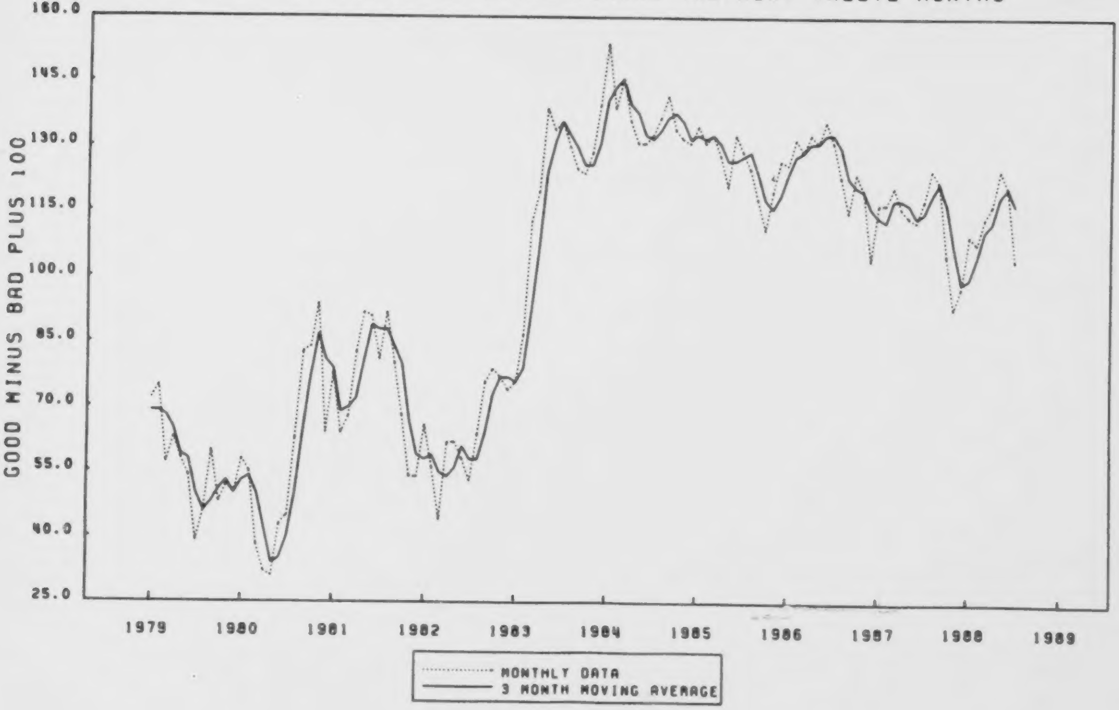


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

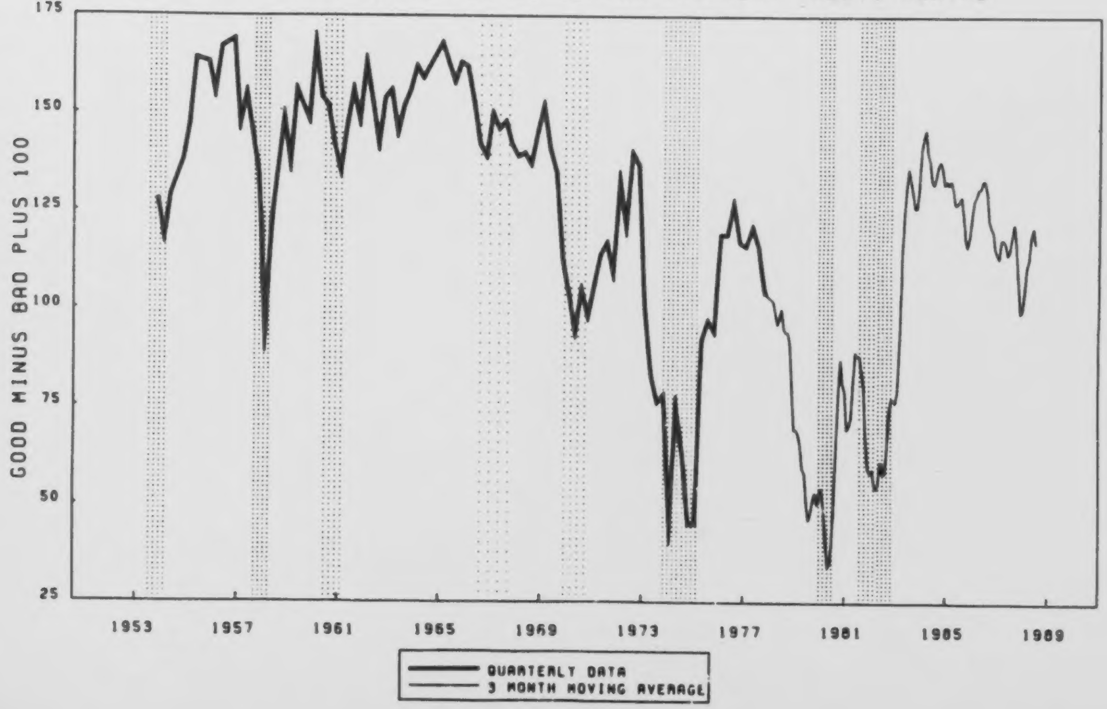


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIMES	51%	55%	51%	43%	38%	41%	47%	45%	47%	50%	54%	54%	44%
UNCERTAIN; GOOD & BAD	2	3	5	3	2	4	4	4	4	4	4	3	4
BAD TIMES	33	30	29	38	45	43	37	37	33	33	29	33	40
DON'T KNOW	7	7	7	7	8	6	7	7	7	9	8	6	8
NOT ASCERTAINED	7	5	8	9	7	6	5	7	9	4	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

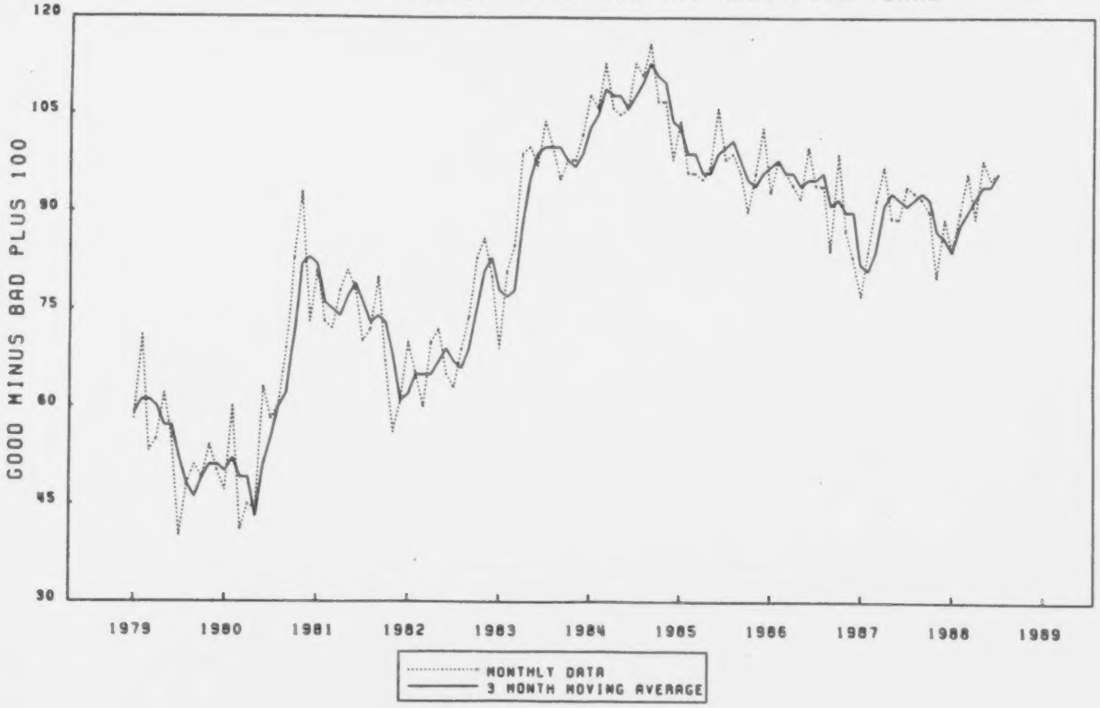


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

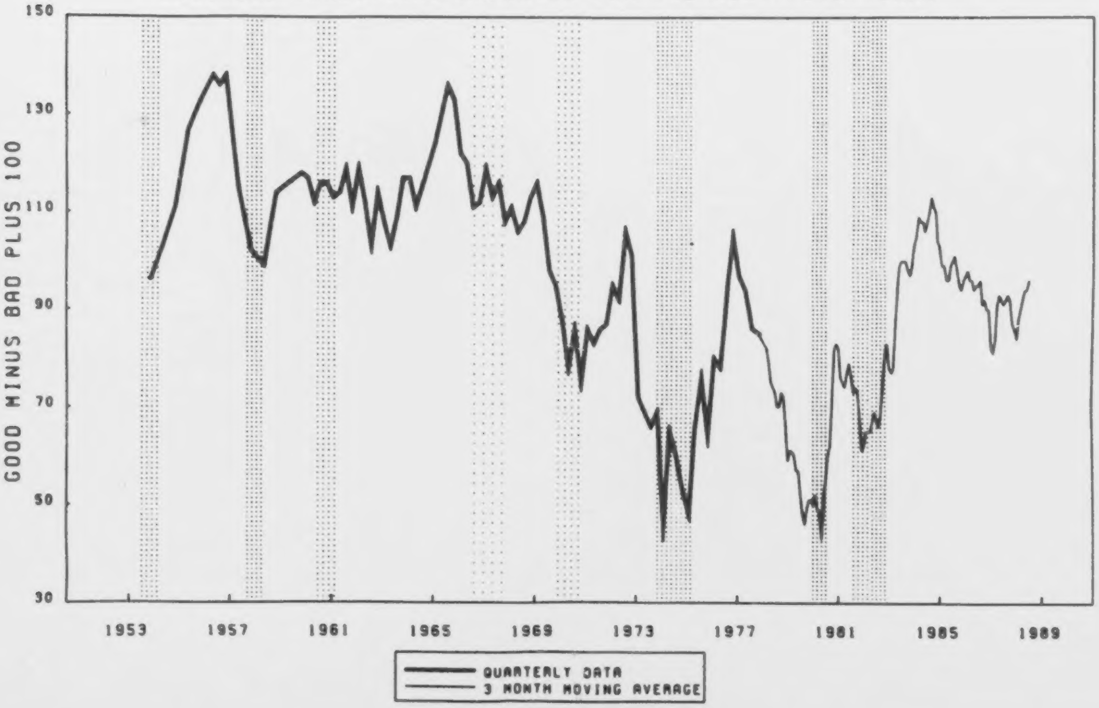


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIMES	36%	36%	37%	36%	31%	33%	34%	35%	39%	36%	41%	36%	39%
UNCERTAIN; GOOD & BAD	15	16	13	12	13	16	12	15	14	15	13	16	12
BAD TIMES	42	43	45	46	51	44	50	45	43	47	43	41	43
NOT ASCERTAINED	7	5	5	6	5	7	4	5	4	2	3	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

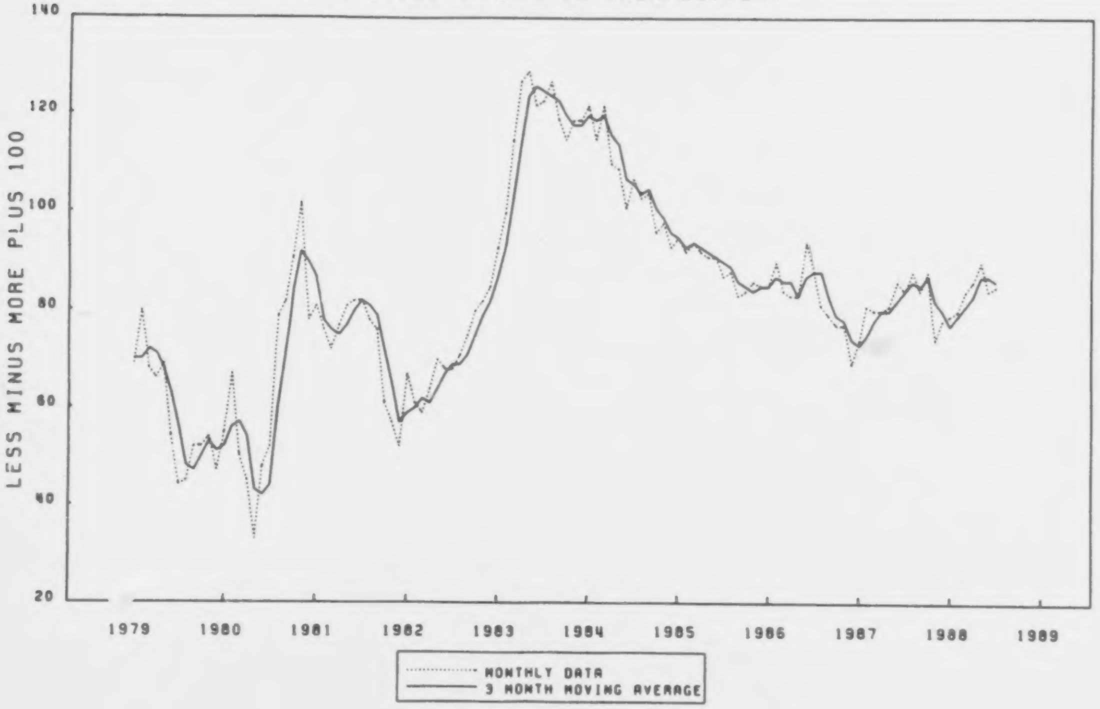


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

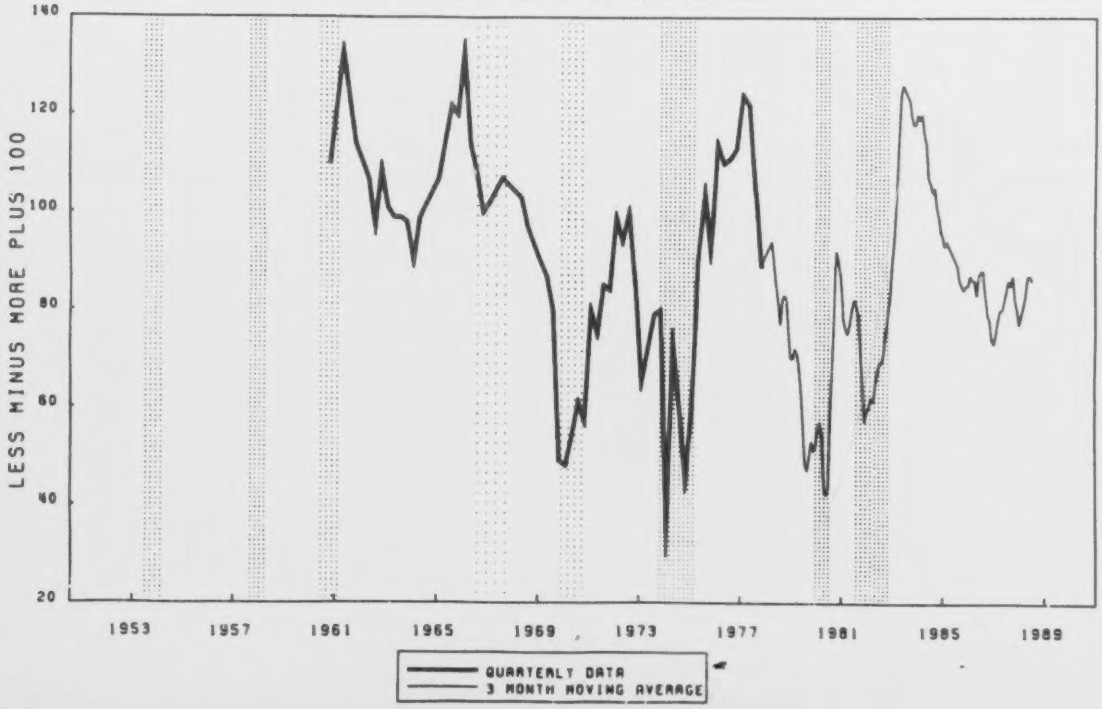


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
LESS	14%	15%	13%	17%	10%	12%	12%	12%	12%	14%	11%	15%	14%
SAME	55	56	57	52	53	51	54	53	58	56	67	53	55
MORE	30	27	29	29	36	34	33	33	28	28	21	31	29
DK,NA	1	2	1	2	1	3	1	2	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

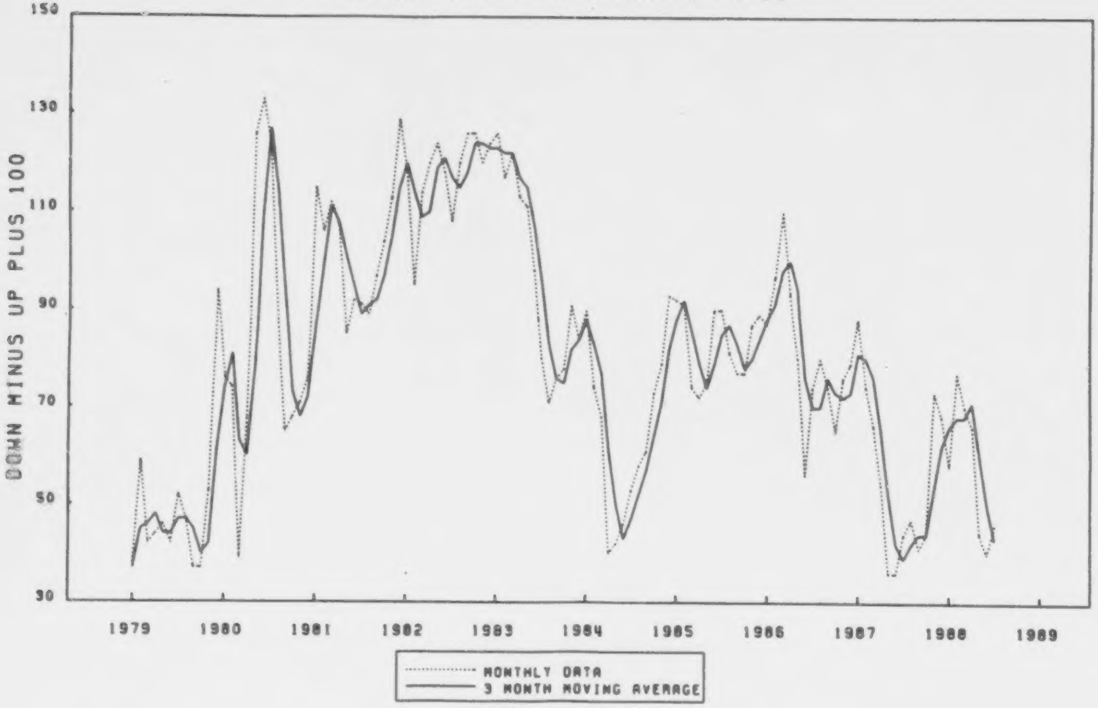


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

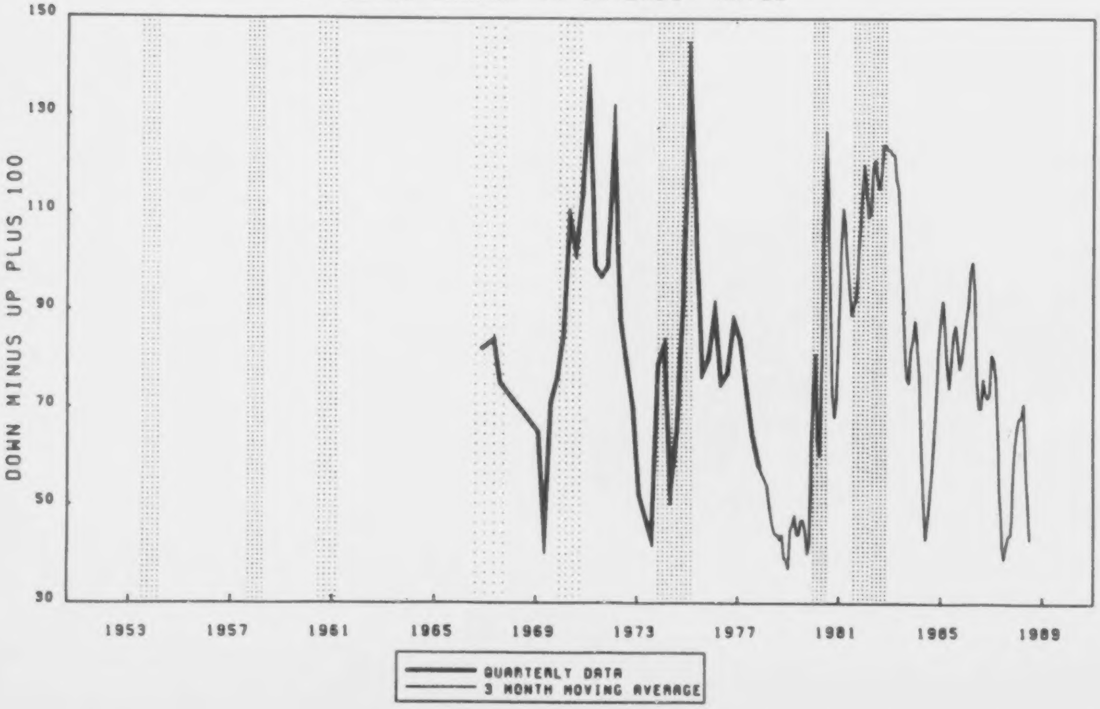


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GO UP	64%	62%	66%	67%	49%	52%	54%	44%	49%	48%	64%	67%	64%
STAY THE SAME	26	27	24	20	26	26	32	32	29	35	26	24	23
GO DOWN	8	9	7	11	22	20	12	21	19	14	8	7	10
DK,NA	2	2	3	2	3	2	2	3	3	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

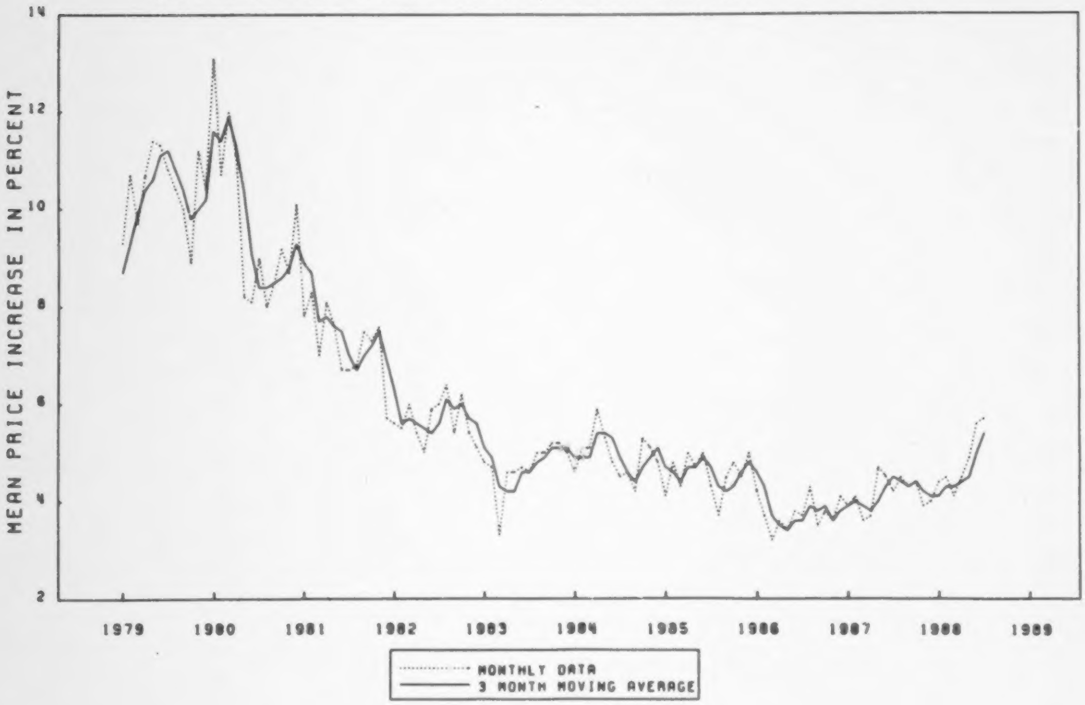


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

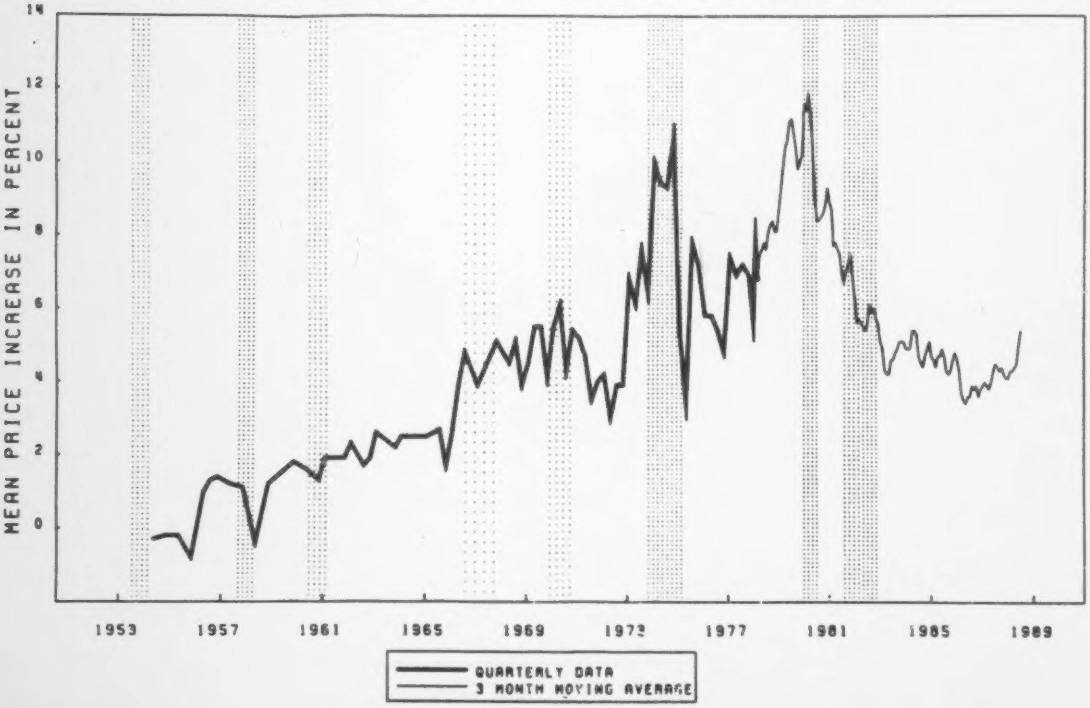


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
SAME OR DOWN	17%	13%	17%	15%	20%	21%	23%	17%	18%	14%	13%	13%	8%
WILL GO UP BY:													
1-2%	20	20	20	18	16	19	16	21	19	19	19	18	15
3-4%	23	25	24	23	22	21	21	23	24	25	26	20	22
5%	16	17	16	20	20	15	17	16	19	18	18	20	19
6-9%	7	8	6	7	8	8	6	6	6	7	7	8	12
10-14%	9	6	7	8	5	8	7	7	6	7	6	9	12
15% or more	3	4	3	3	4	3	6	5	3	4	6	6	6
DK how much up	4	6	5	5	4	4	3	4	5	5	4	5	6
DK,NA	1	1	2	1	1	1	1	1	*	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.2	4.5	4.3	4.4	3.9	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.7
VARIANCE	28	32	41	28	25	26	35	40	26	31	41	60	38
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

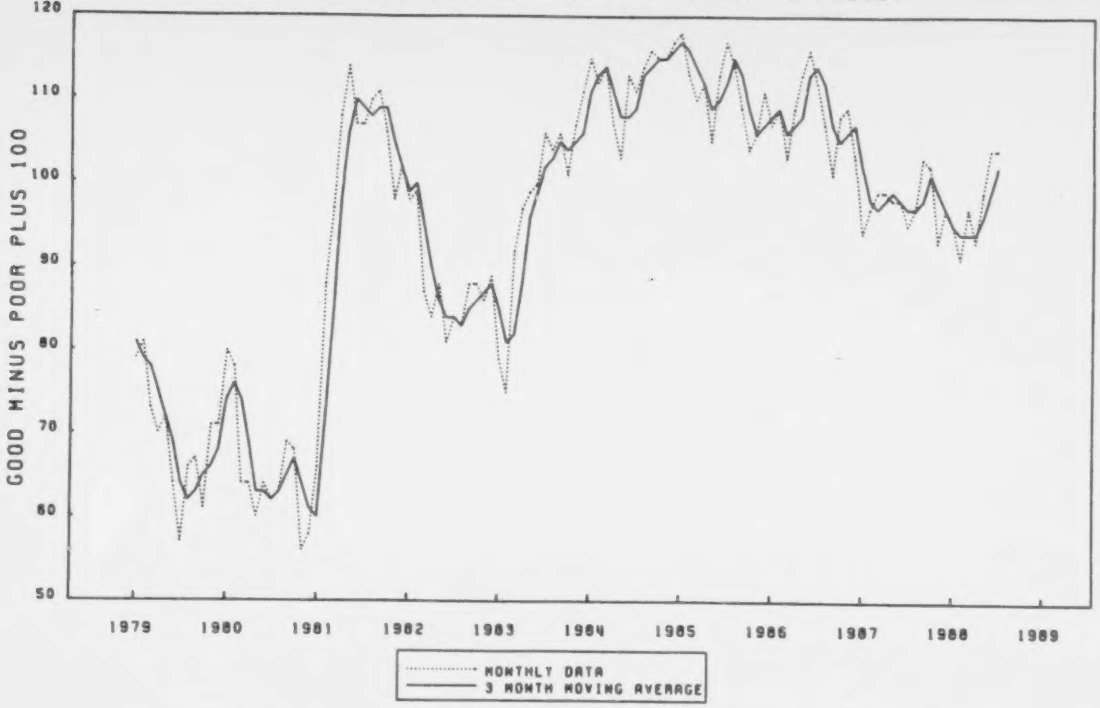


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

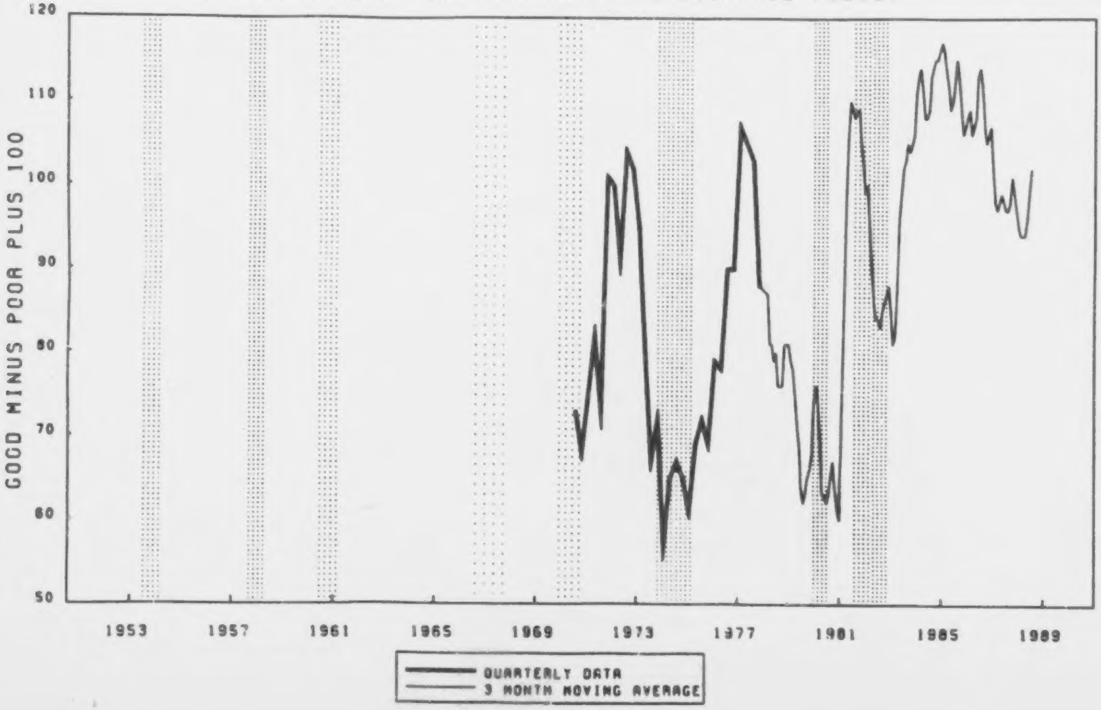


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
A GOOD JOB	21%	23%	23%	25%	18%	19%	17%	18%	23%	18%	21%	23%	24%
ONLY FAIR	52	48	54	48	54	56	60	53	49	56	56	57	53
A POOR JOB	26	26	20	23	25	22	22	27	26	25	22	19	20
DK,NA	1	3	3	4	3	3	1	2	2	1	1	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

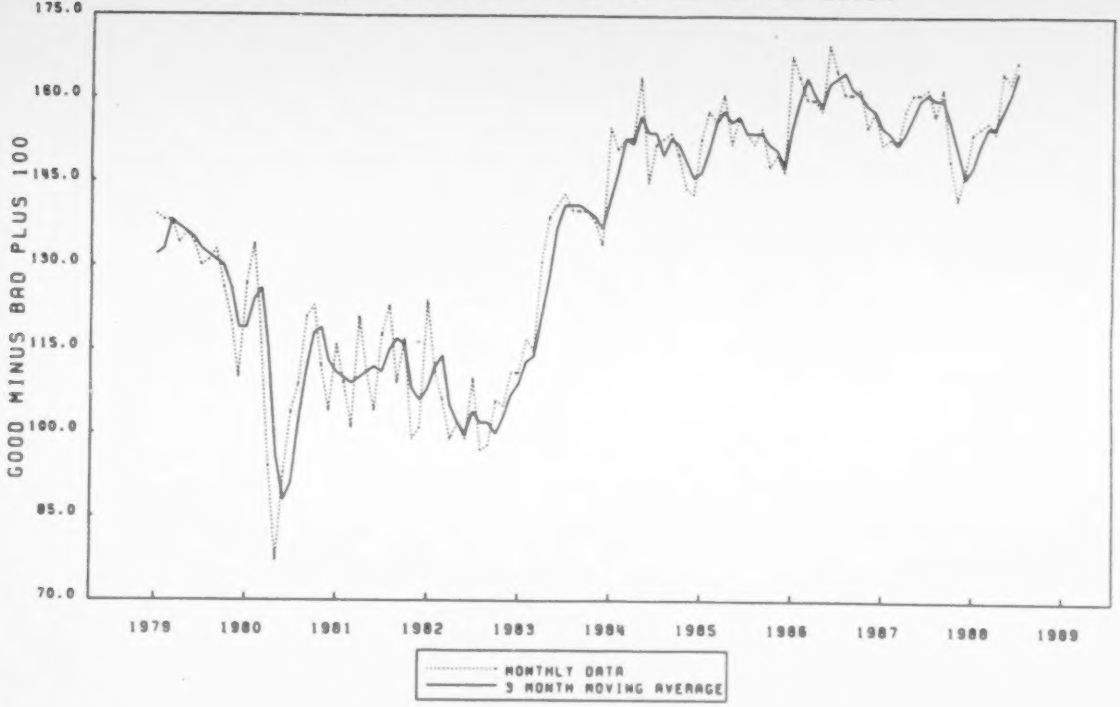


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

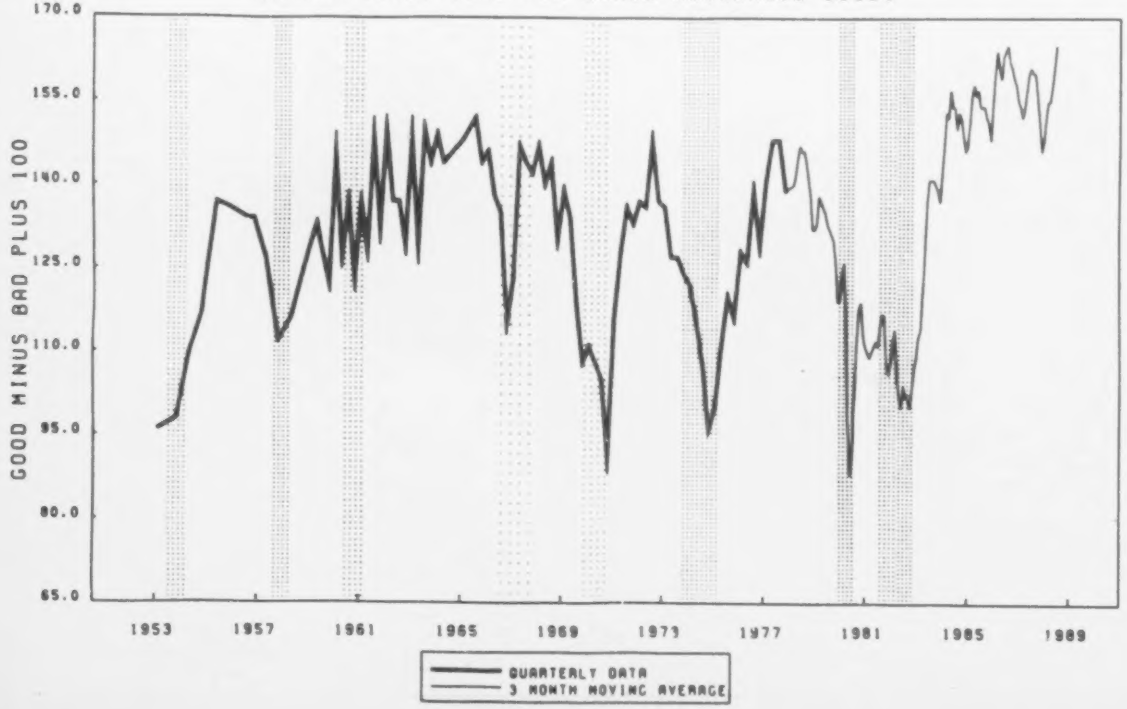


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY	76%	74%	75%	69%	66%	69%	72%	72%	71%	73%	79%	74%	79%
UNCERTAIN, DEPENDS	10	9	12	11	10	9	10	11	14	8	7	15	9
BAD TIME TO BUY	14	17	13	20	24	22	18	17	15	19	14	11	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

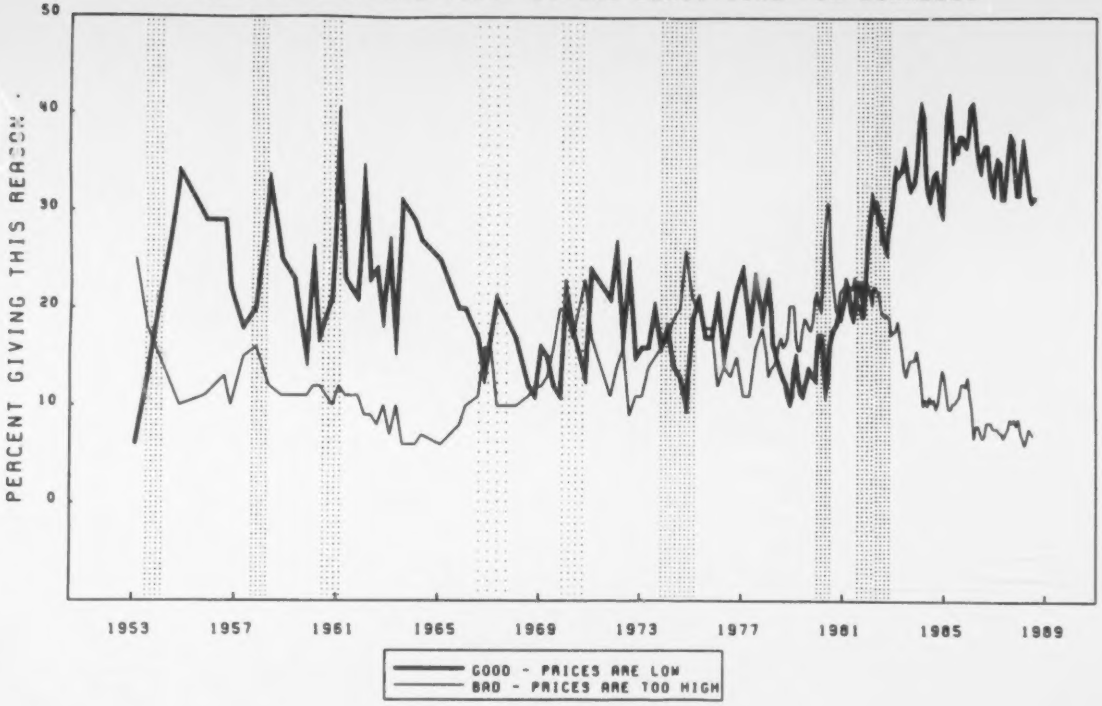


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

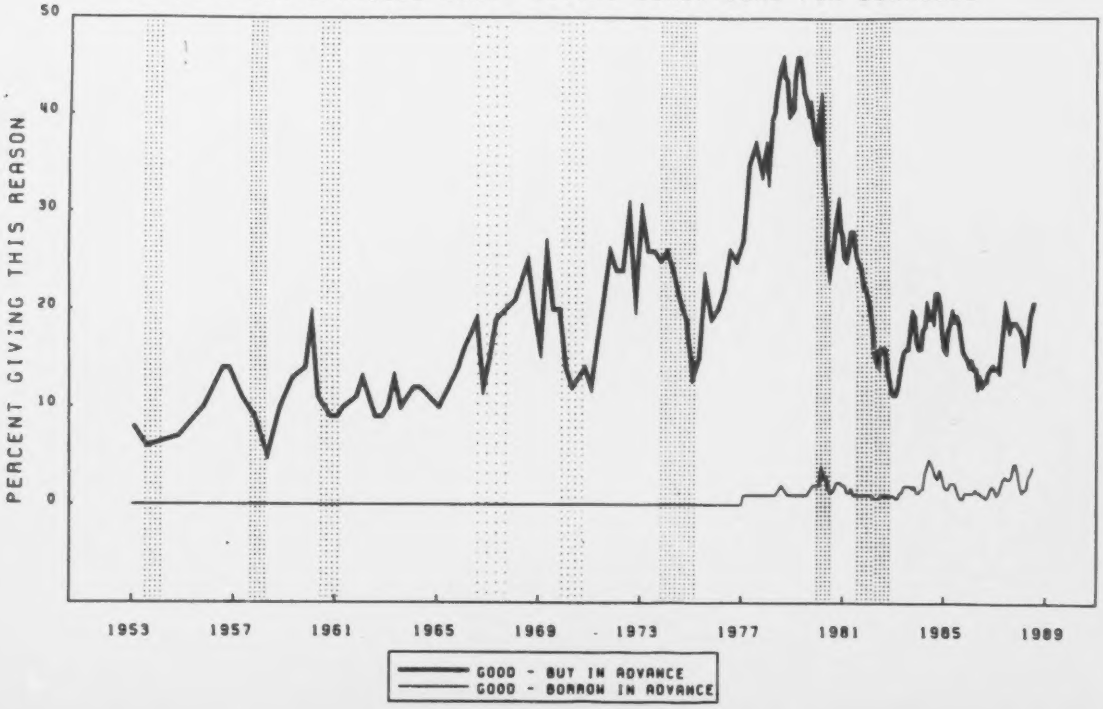


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	37%	38%	37%	28%	30%	37%	37%	36%	33%	32%	30%	31%	33%
Prices won't come down; are going higher	17	16	23	17	16	22	16	14	15	19	20	20	22
Interest rates low	11	15	11	9	11	8	6	8	10	9	6	8	7
Borrow-in-advance rates	2	3	4	6	3	1	2	1	2	2	5	3	4
Times are good; prosperity	6	6	6	7	4	4	6	7	8	10	7	7	10
BAD TIME TO BUY:													
Prices are high	8	9	8	9	7	10	5	5	8	7	8	7	6
Interest rates are high; credit is tight	3	4	4	4	8	6	4	5	4	4	4	2	2
Times are bad; can't afford to buy	3	5	2	6	4	4	8	6	5	6	3	2	3
Bad times ahead; uncertain future	2	1	1	4	10	5	4	4	2	4	2	1	2

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

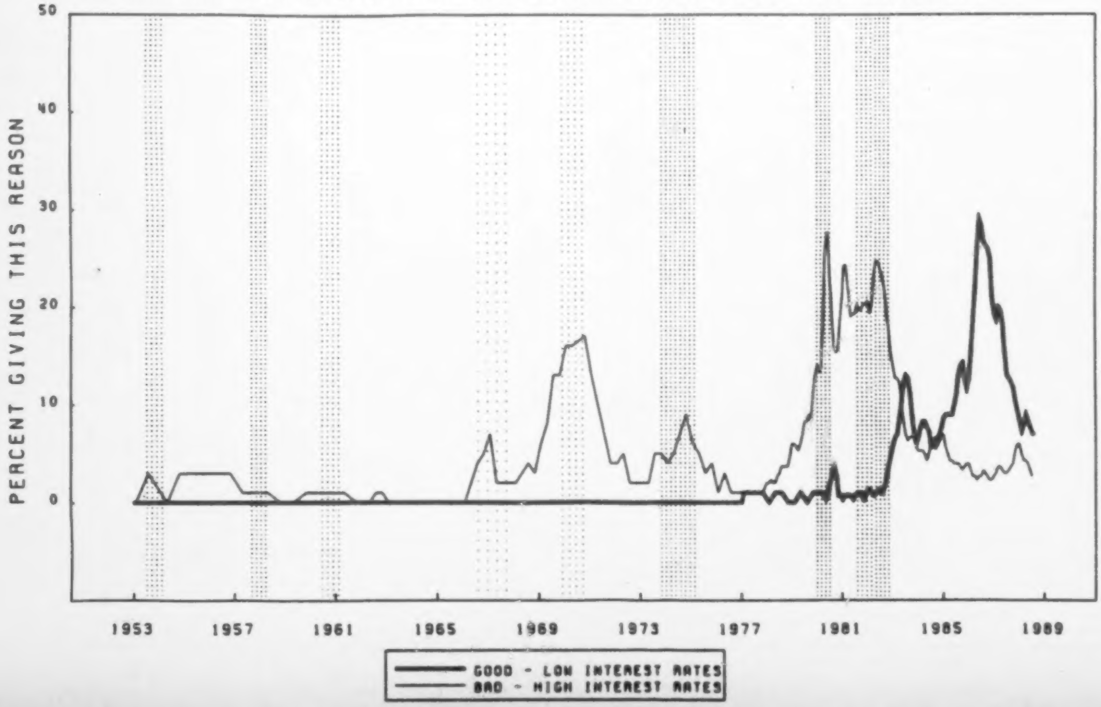


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

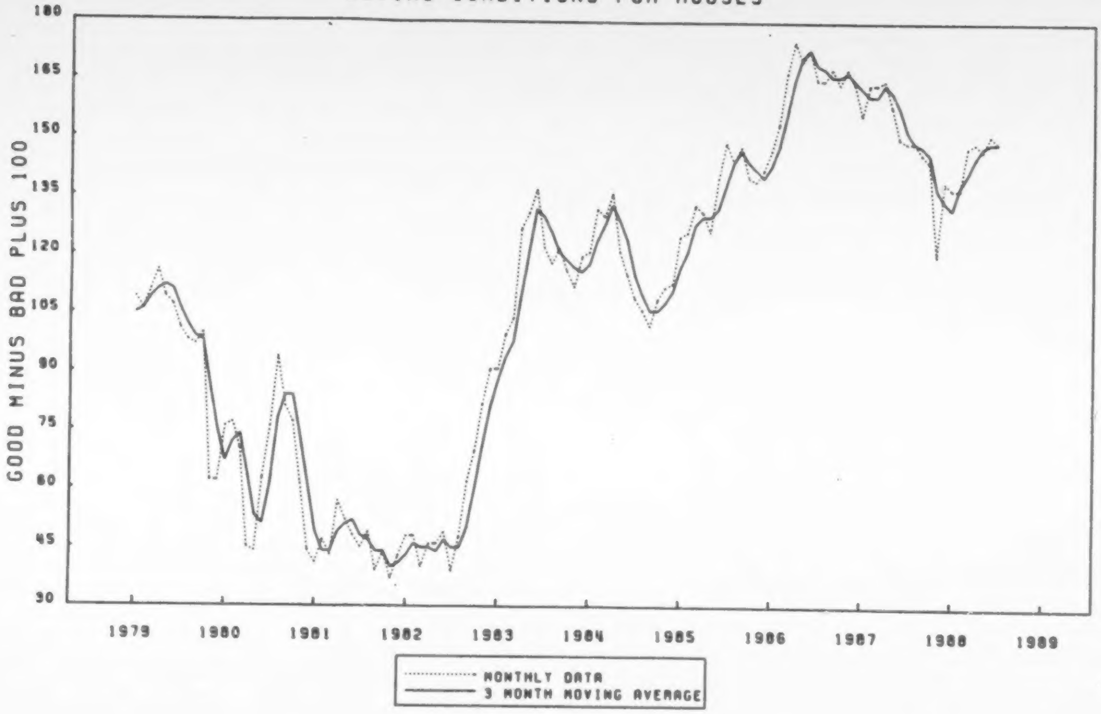


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

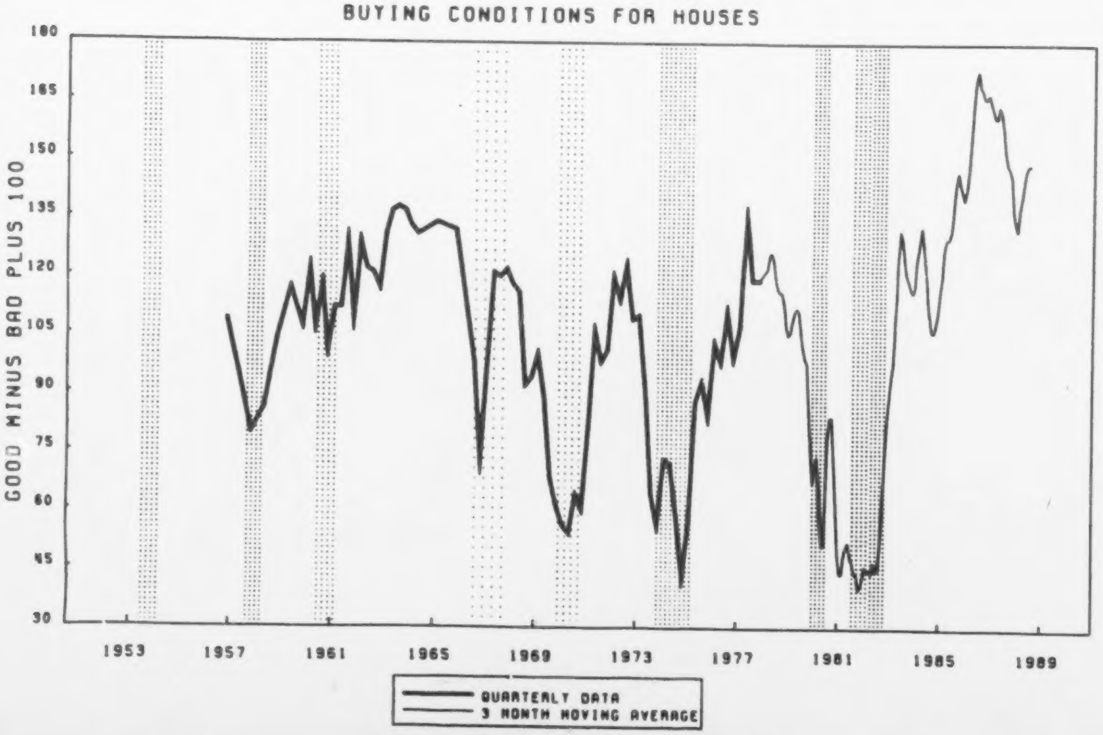


TABLE 23

BUYING CONDITIONS FOR HOUSES

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY	72%	73%	71%	70%	58%	68%	67%	67%	71%	72%	72%	73%	72%
UNCERTAIN, DEPENDS	5	3	4	4	4	3	3	3	6	5	3	5	5
BAD TIME TO BUY	23	24	25	26	38	29	30	30	23	23	25	22	23
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

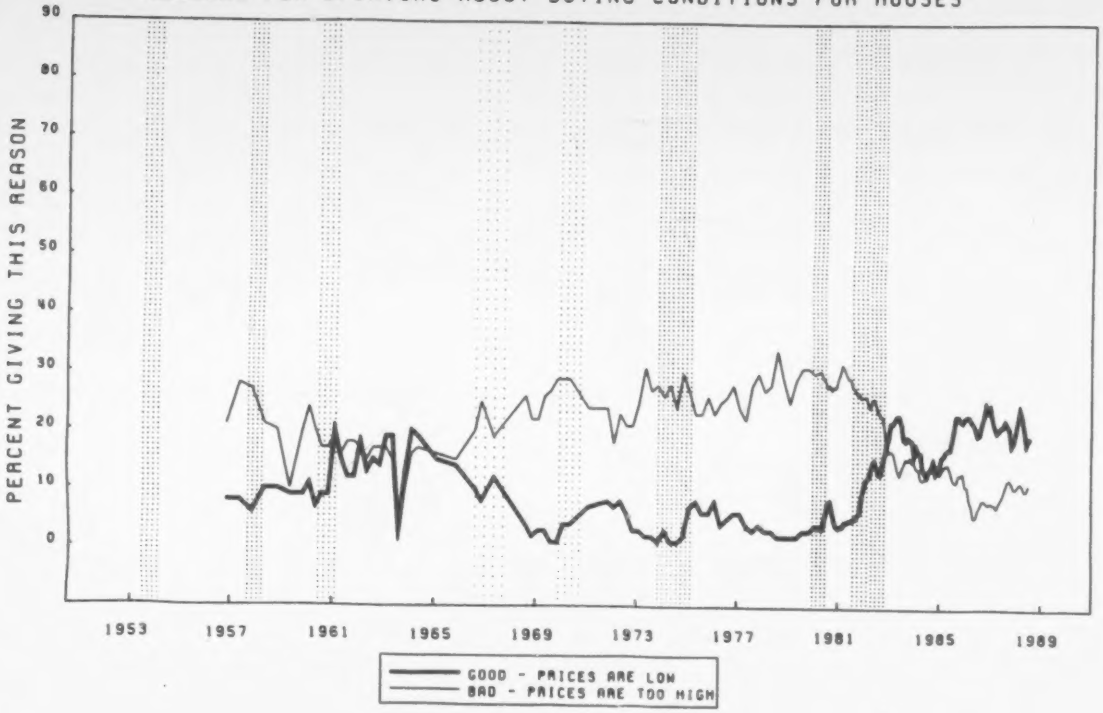


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

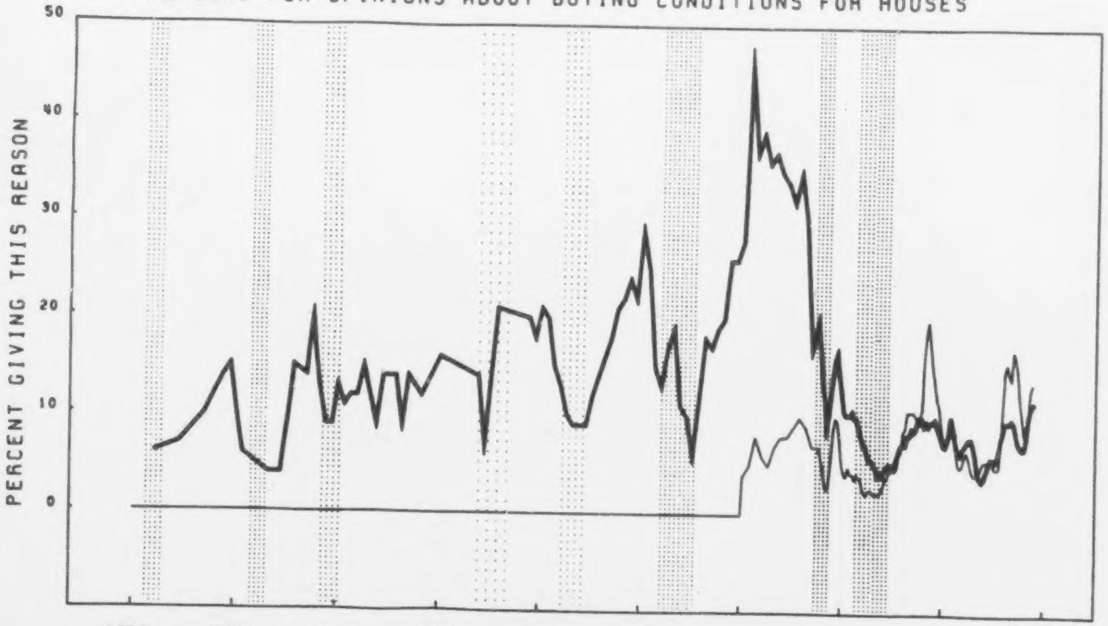


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	25%	19%	19%	16%	21%	24%	22%	27%	20%	16%	19%	23%
Prices won't come down; are going higher	9	9	12	8	6	9	7	5	9	10	12	12	11
Interest rates low	46	44	37	33	32	40	35	44	47	40	37	34	31
Borrow-in-advance rates	13	13	16	22	11	12	13	6	7	10	14	15	12
Good investment	6	7	7	6	7	9	7	4	6	7	10	6	8
Times are good; prosperity	4	2	5	3	3	3	3	4	4	4	5	5	6
BAD TIME TO BUY:													
Prices are high	10	13	13	11	11	10	11	13	11	10	10	11	13
Interest rates are high; credit is tight	12	10	13	18	19	13	13	15	9	10	12	10	11
Times are bad; can't afford to buy	4	5	5	7	5	7	10	7	8	8	6	4	4
Bad times ahead; uncertain future	1	3	3	4	13	7	5	4	3	4	3	3	2

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

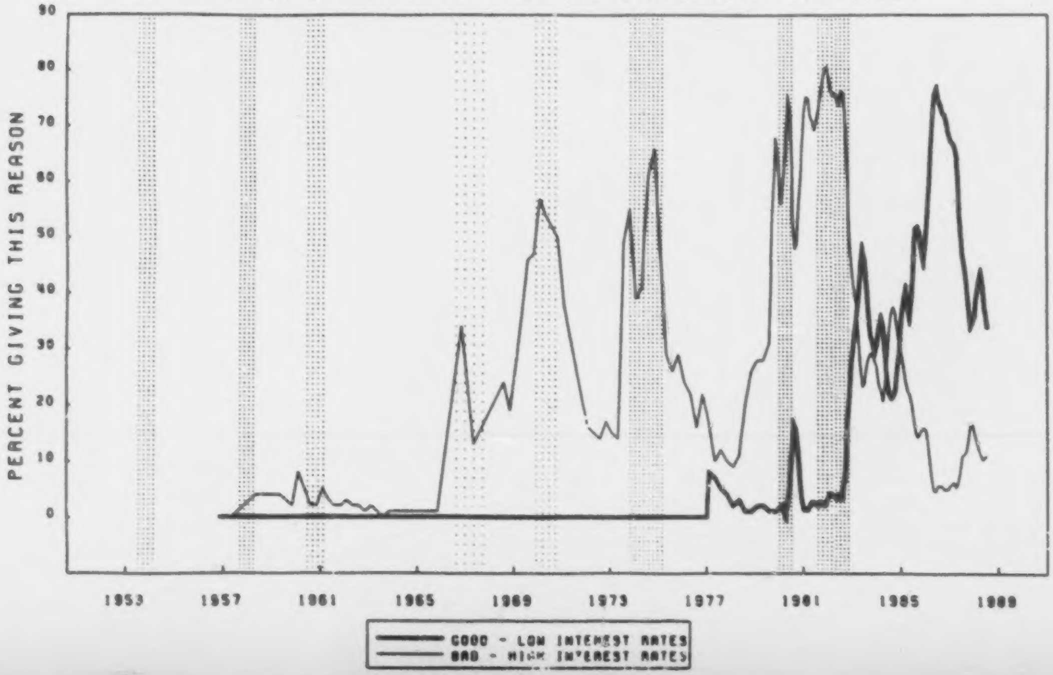


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

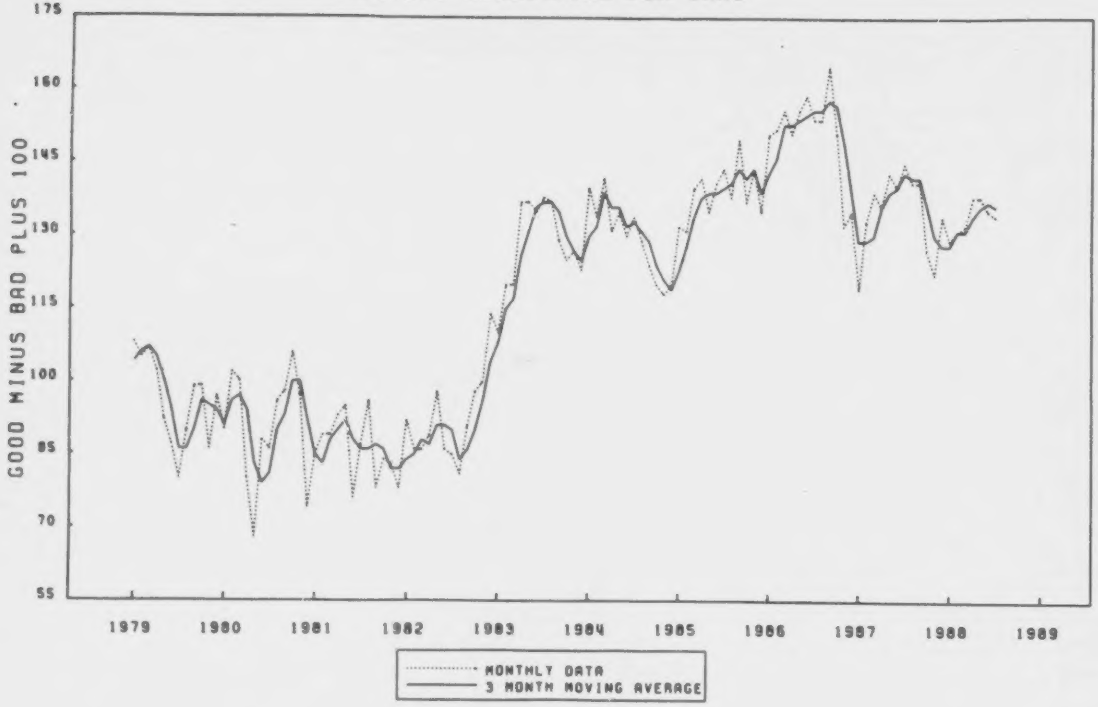


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

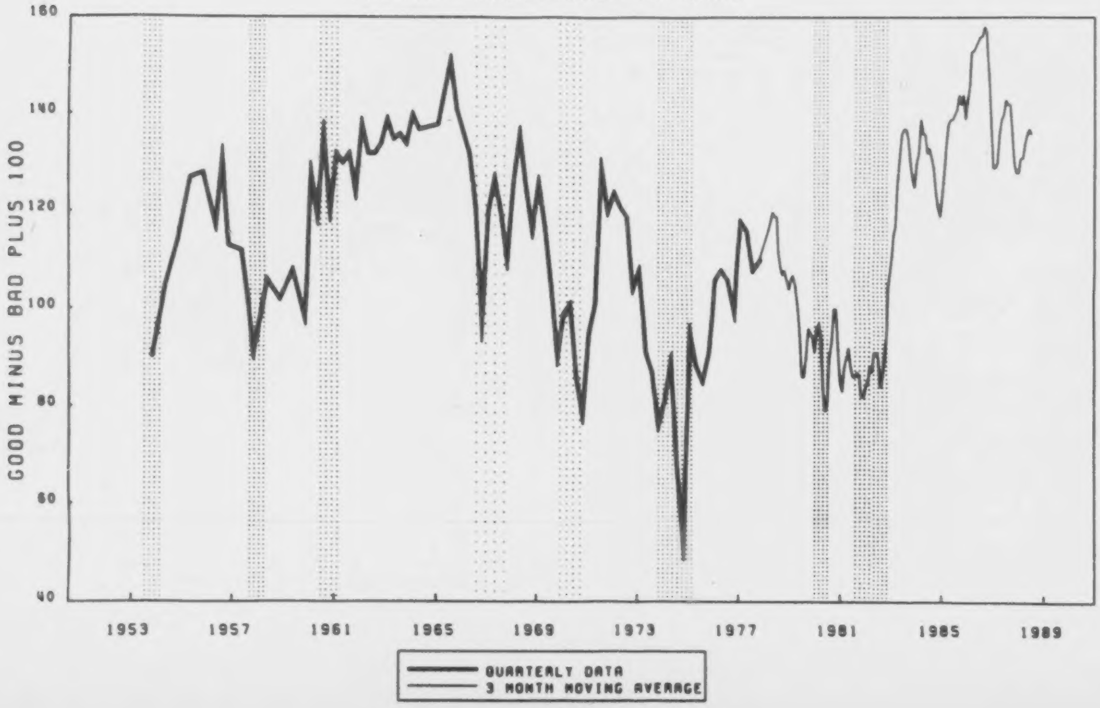


TABLE 25

BUYING CONDITIONS FOR CARS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY	67%	66%	66%	58%	57%	64%	59%	59%	62%	63%	64%	62%	62%
UNCERTAIN; DEPENDS	11	9	9	11	8	6	11	13	8	12	10	11	10
BAD TIME TO BUY	22	25	25	31	35	30	30	28	30	25	26	27	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

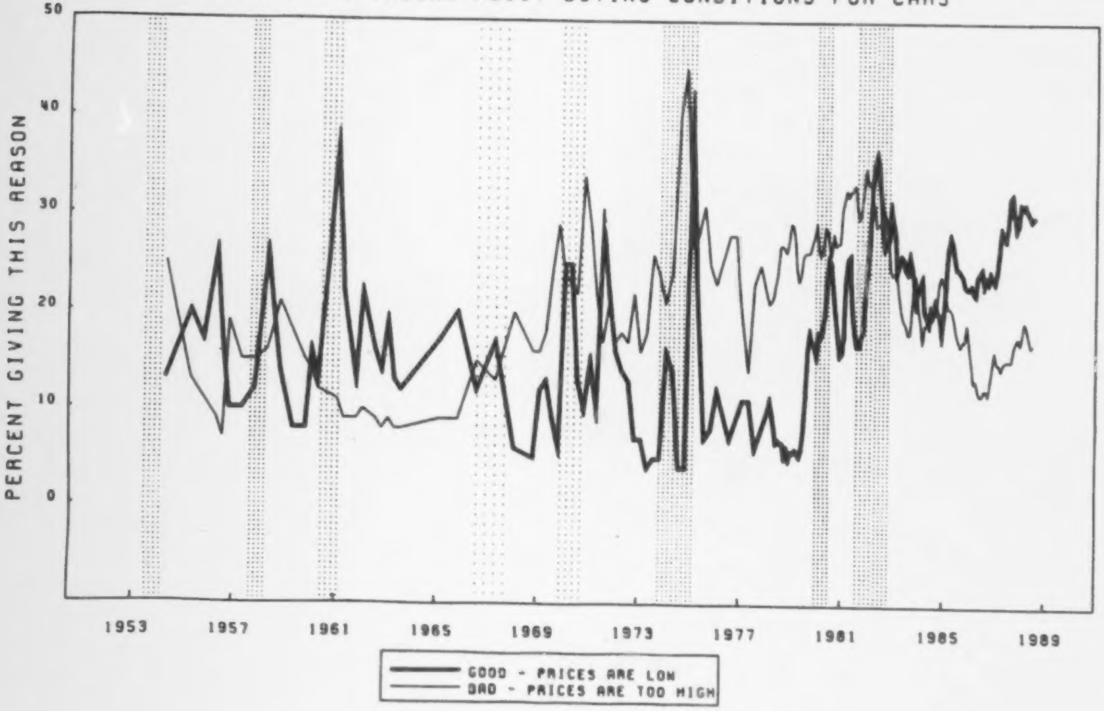


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

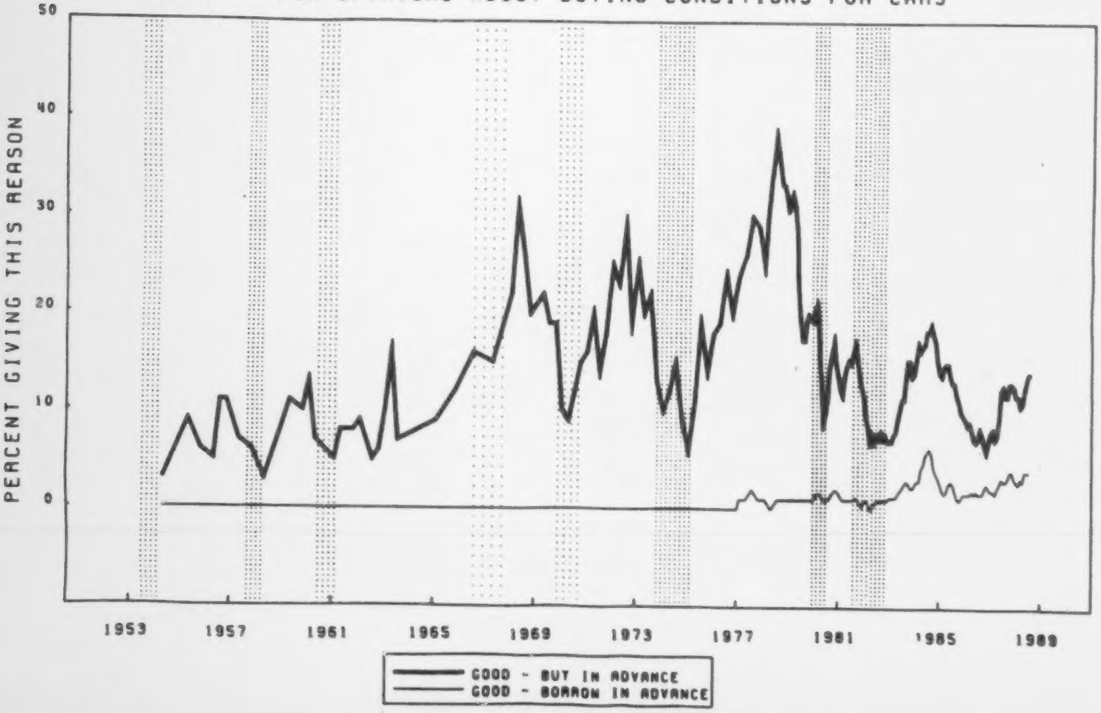


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

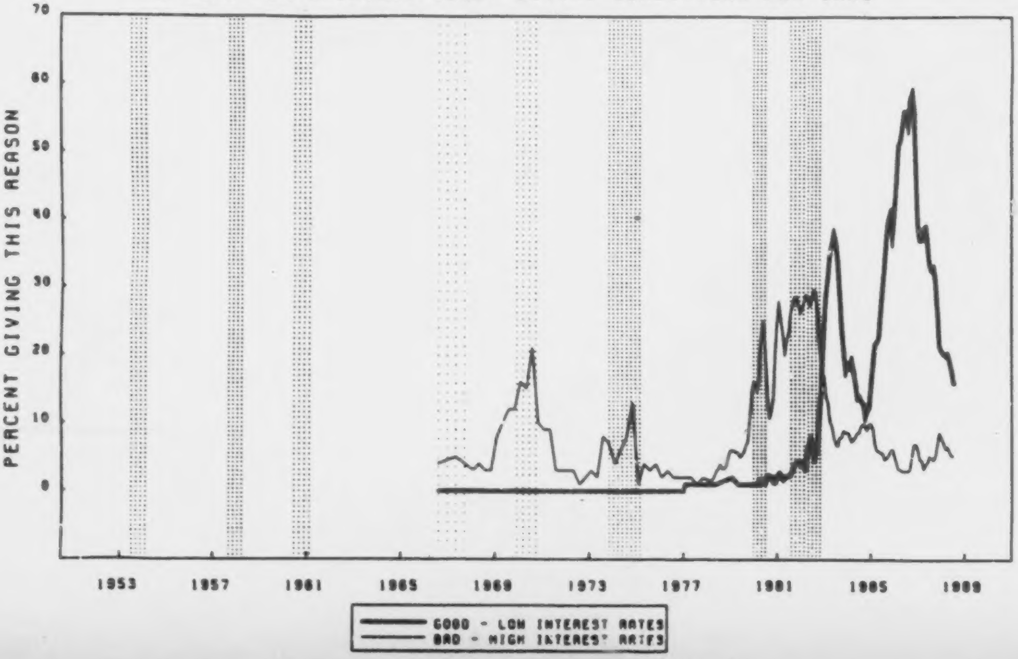
	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	36%	29%	26%	31%	31%	32%	30%	32%	30%	29%	30%	31%
Prices won't come down; are going higher	10	10	15	14	10	14	11	10	11	12	14	14	14
Interest rates low	28	35	36	22	21	21	20	20	20	21	17	16	15
Borrow-in-advance rates	3	3	4	5	3	2	4	2	4	3	5	4	3
Times are good; prosperity	3	2	2	4	2	2	3	3	4	3	4	3	5
BAD TIME TO BUY:													
Prices are high	15	15	16	19	17	17	17	20	21	15	17	18	16
Interest rates are high; credit is tight	5	5	4	7	10	9	5	8	6	6	6	4	6
Times are bad; can't afford to buy	3	3	3	3	4	4	5	4	3	5	3	1	3
Bad times ahead; uncertain future	1	*	1	3	9	4	3	2	2	2	2	2	2
Poor selection; quality	3	5	4	2	2	4	4	3	3	2	2	3	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

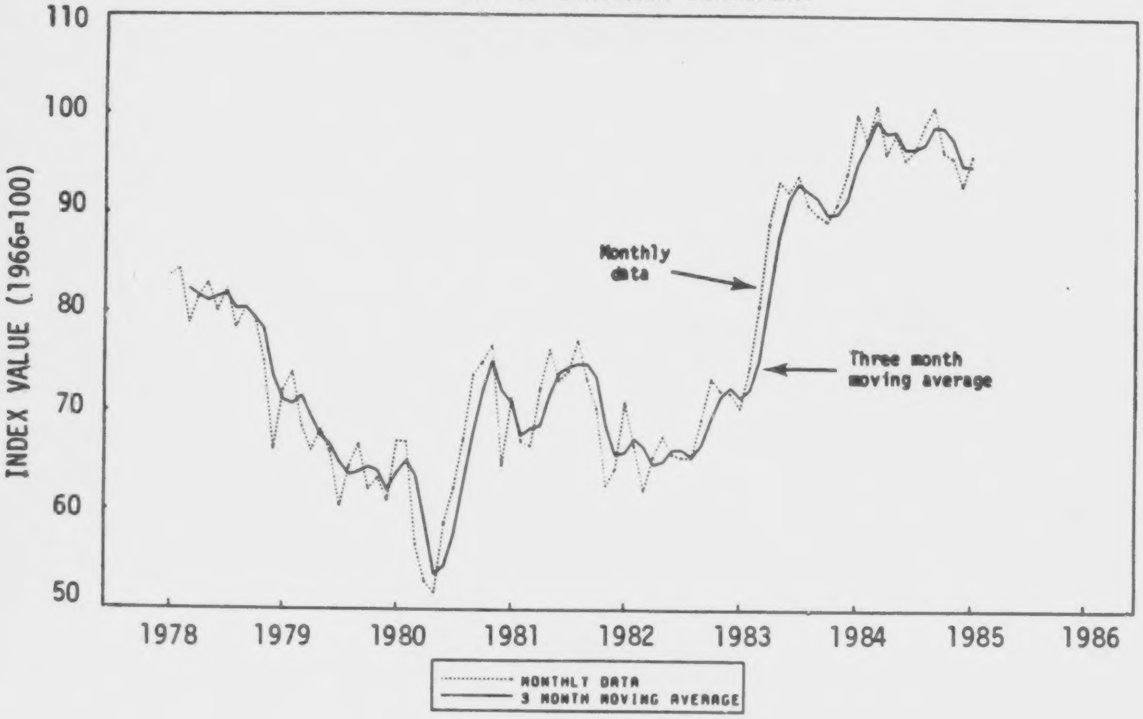
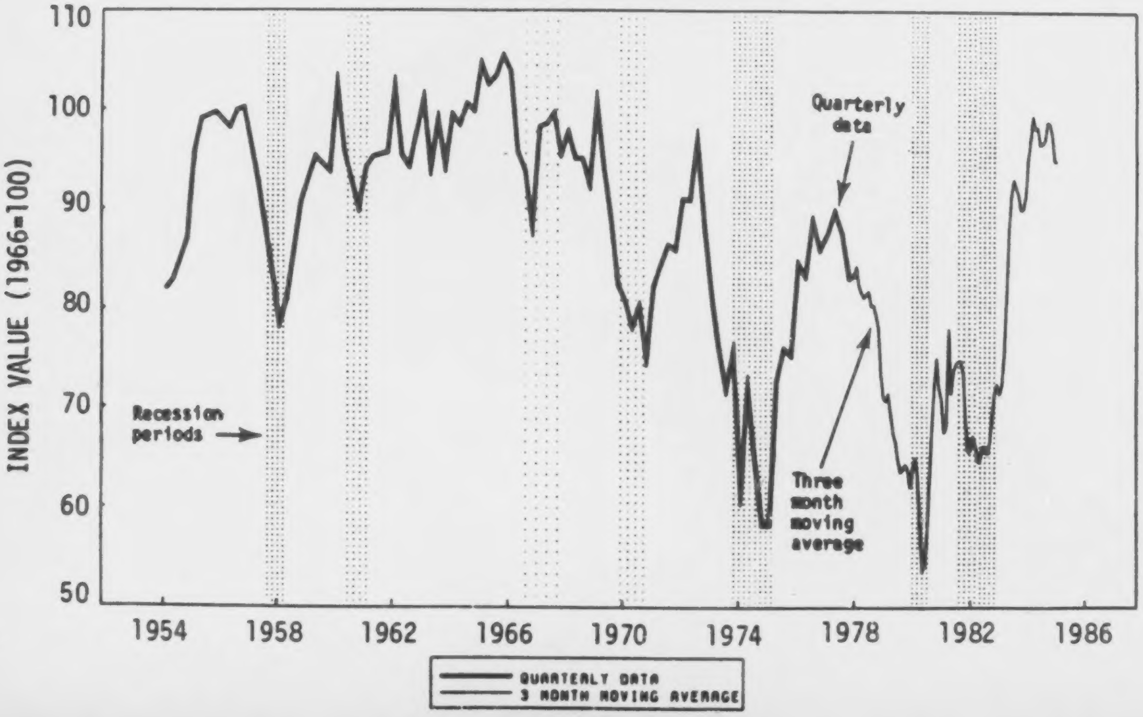


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

U7475-2

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

August 1988 Monthly Survey
September 8, 1988

Surveys of Consumers

Richard T. Curtin, *Director*

Income Growth Boosts Sentiment

Index Up Sharply

The Index of Consumer Sentiment was 97.4 in the August 1988 survey, up from 93.4 one month earlier and 94.4 one year earlier. The August 1988 reading was the highest recorded in more than two years. The recent improvement was due to more favorable assessments of personal finances as well as more favorable prospects for the economy as a whole.

Among families with incomes of $30,000 or more, the Index stood at 105.1 in the August 1988 survey, up significantly from 100.5 in July, and just ahead of the year earlier reading of 104.4.

Personal Finances Improve

Among all families in the August 1988 survey, 50 percent reported that their financial situation had improved, up from 45 percent recorded both one month and one year earlier. This represents the most favorable assessment ever recorded in the long history of these surveys. In only one other survey, conducted in May of 1965, did as many families report improved finances.

Increases in family incomes were mentioned more frequently in the August 1988 survey than at any other time during the past 20 years. Among all families in the August 1988 survey, 45 percent reported that their income had increased, up from 40 percent one month earlier and 36 percent one year earlier.

Despite the record gains in their current financial situation, families did not view their future financial prospects more favorably. Among all families in the August 1988 survey, 36 percent expected their financial situation to improve during the year ahead, down from the 38 percent recorded in July and the 39 percent recorded in August 1987. Importantly, the proportion of families that expected a worsening financial situation also fell, to just 9 percent in the August 1988 survey from 10 percent one month earlier and 12 percent one year earlier.

The most dominant expectation was that the recent financial gains would be preserved during the year ahead. Nearly half (49 percent) of all families in the August 1988 survey expected their financial situation to remain unchanged during the year ahead. Given their currently improved situation, that consumers expect their future financial position to remain unchanged is certainly a very positive outlook.

Outlook for Economy Improves

Consumers' assessments of current economic conditions in the country as a whole improved in the August 1988 survey. Half of all consumers (51 percent) reported that business conditions in August 1988 had improved over those of a year earlier, regaining all of the loss recorded following the stock market crash.

Moreover, consumers viewed future prospects for the economy more favorably in the August survey. Good times financially during the year ahead for the nation as a whole were expected by 52 percent of all families in the August 1988 survey, up from 44 percent in July, and just below the 55 percent recorded last August. Prospects for the economy over the next five years were also viewed more favorably. For the first time in more than two years, the August 1988 survey recorded more consumers that expected good rather than bad times financially over the longer term--by a margin of 43 to 38 percent.

These improved prospects for the domestic economy indicate that consumers expect that the long expansion will be extended for yet another year, not that more vigorous growth is expected during the year ahead.

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The majority of families in the August 1988 survey (54 percent) expected the performance of the national economy to remain essentially unchanged during the year ahead, rather than to grow more rapidly (24 percent) or more slowly (16 percent).

A crucial factor underpinning this outlook is the continuation of favorable job prospects. The majority of consumers in the August 1988 survey expected the national unemployment rate to remain largely unchanged at its current low level during the year ahead (53 percent). On the margin, however, consumers view the risks of increased unemployment as more likely than further declines (27 versus 15 percent).

Interest Rate Increases Expected

Although overall assessments of the domestic economy improved, the expectation of increasing inflation and interest rates have remained widespread. Among all families in the August 1988 survey, 71 percent expected increases in interest rate during the year ahead, up sharply from the post crash low of 44 percent recorded six months earlier. Most of this heightened concern with interest rate trends was recorded by May 1988, when 64 percent expected increases. Just 7 percent of all families in the August 1988 survey expected interest rates to decline during the year ahead.

Inflation Expected to Increase

In the August 1988 survey, consumers continued to expect higher rates of inflation during the year ahead. In the August 1988 survey, consumers expected an annual inflation rate of 5.4%, just below the 5.6% recorded in both the June and July 1988 surveys. Although this represents a welcome easing of inflation fears, the 5.4% inflation rate expected during the year ahead still remains substantially above the 4.5% recorded last August, and the highest August reading since 1982.

Interestingly, when asked to assess the ability of government economic policies to control inflation and unemployment, families have expressed somewhat greater confidence even as inflation expectations have risen in recent months. In the August 1988 survey, 28 percent thought that the government was doing a good job, up from 25 percent in July and 18 percent in April--just before the recent increase in inflation expectations.

Buying Conditions Weaken

In contrast to the renewed strength in personal finances and the improved prospects for the national economy, favorable attitudes toward buying conditions declined somewhat, but still remained at favorable levels in the August 1988 survey. Importantly, rising interest rates have thus far had a limited impact on buying attitudes, as the appeal of borrowing-in-advance of anticipated increases in interest rates have temporarily offset some of the losses.

Favorable attitudes toward home buying conditions were held by 67 percent in August 1988, down from 72 percent one month earlier. Less favorable perceptions of both current home prices and mortgage rates were responsible for the small decline. References to low home prices fell to 18 percent in August from 24 percent in July. The proportion of consumers that cited the availability of low mortgage rates fell to 28 percent in August 1988 from 30 percent in July, while complaints about high mortgage rates rose to 14 percent from 11 percent. Offsetting these mortgage rate trends, more families mentioned the appeal of borrowing-in-advance of expected increases in mortgage rates, rising to 19 percent in August from 11 percent one month earlier.

Favorable car buying attitudes were held by 62 percent of all families in the August 1988 survey, identical to the June and July readings, but below the 66 percent recorded a year earlier. Fewer references to the availability of price discounts and rebates were recorded in the August 1988 survey, falling to 30 from 36 percent one year earlier. Compared with a year ago, however, the largest change has been in favorable references to interest rates on vehicle loans. Less than half as many consumers mentioned the availability of low interest rates on vehicle loans in August 1988 as August 1987 (16, down from 35 percent). Borrowing-in-advance of rising rates did increase, but only marginally, to 6 percent in August 1988 from 3 percent both one month and one year earlier.

Buying conditions for appliances, furniture, and home electronics were viewed favorably by 74 percent of all families in the August 1988 survey, down from 79 percent one month earlier, but equal to the year earlier reading. Favorable perceptions of market prices for these large household goods continue to maintain these attitudes at favorable levels.

Vehicle Loans

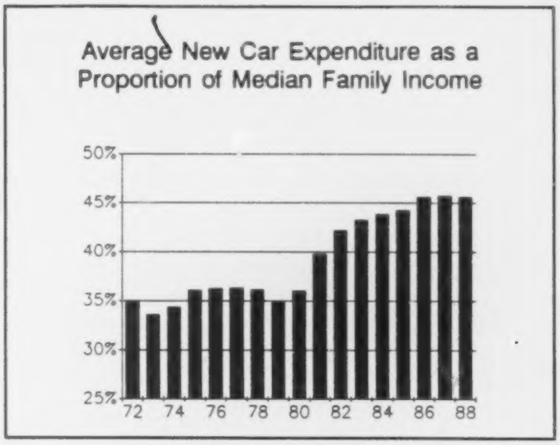
As shown in the accompanying charts, the average expenditure for new cars as a proportion of median family income has increased substantially over the past decade. In the second quarter of 1988, the average expenditure amounted to 46 percent of median family income. Although this figure has remained largely unchanged during the past two years, it is significantly higher than at the start of the decade, when it stood at 36 percent of income--a ten percentage point increase. In comparison to the large increases recorded during the early 1980s, during the 1970s new car expenditures remained relatively constant, averaging between 34 and 36 percent.

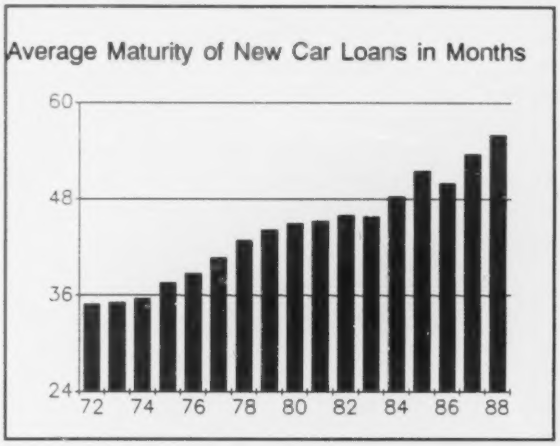
As the average expenditure on new cars has risen, so too has the average maturity of new vehicle loans. By mid 1988, the average repayment period for new vehicle loans rose to just over 56 months, nearly a year longer than recorded at the start of the current expansion. Since the start of the 1970s, the repayment period on the average new car loan has gone from three to nearly five years.

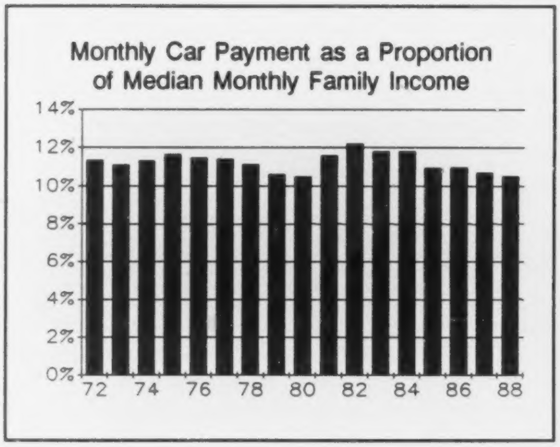
This lengthening over the past decade has had the effect of keeping monthly payments as a proportion of income at a relatively constant level at about 11 percent. At mid 1988, the monthly payment on new vehicle loans amounted to 10.5 percent of median monthly family income, down from a high of 12.2 percent during the recession year of 1982.

* * *

The August 1988 survey included 500 completed interviews conducted between August 1 and August 30, 1988. Note that the July 1988 data was revised, resulting in very minor changes in some of the data series. The revised data are reported in the current booklet of tables.







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SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

AUGUST 1988

The August 1988 survey was the 241th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur. and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

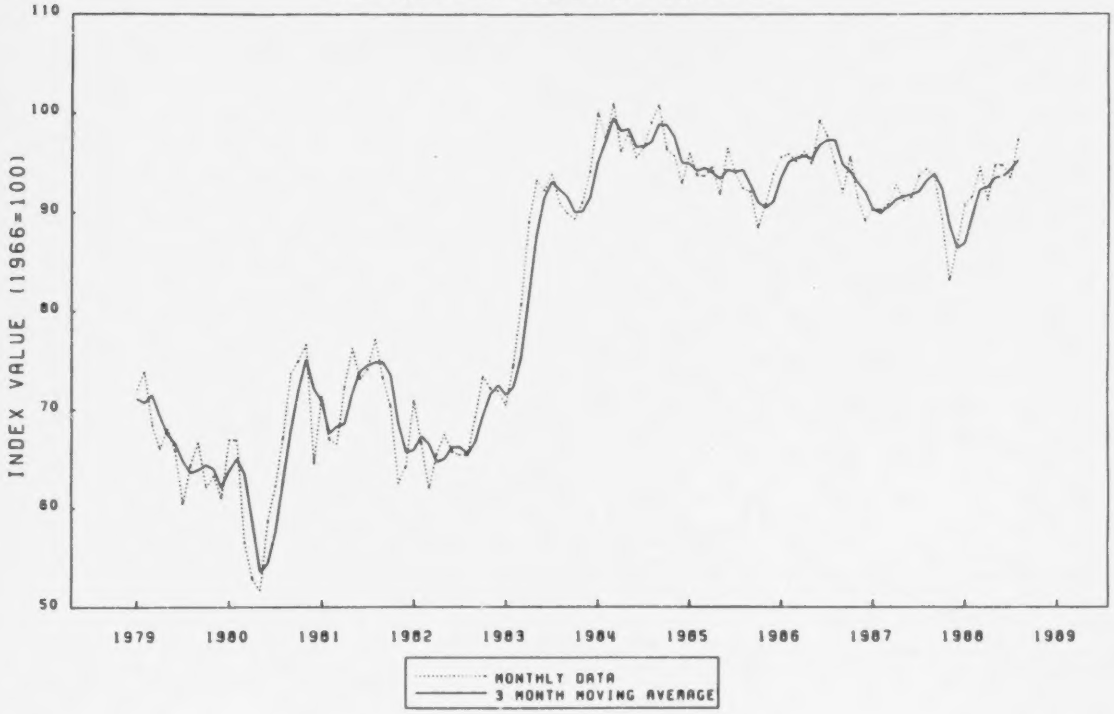


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

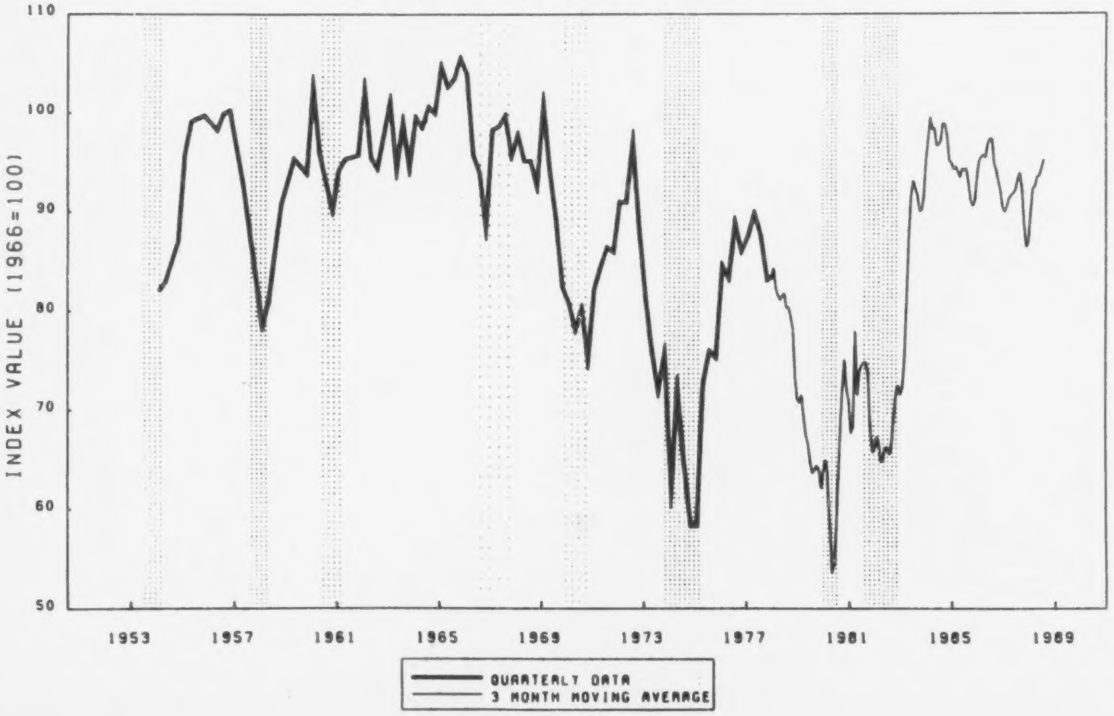


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

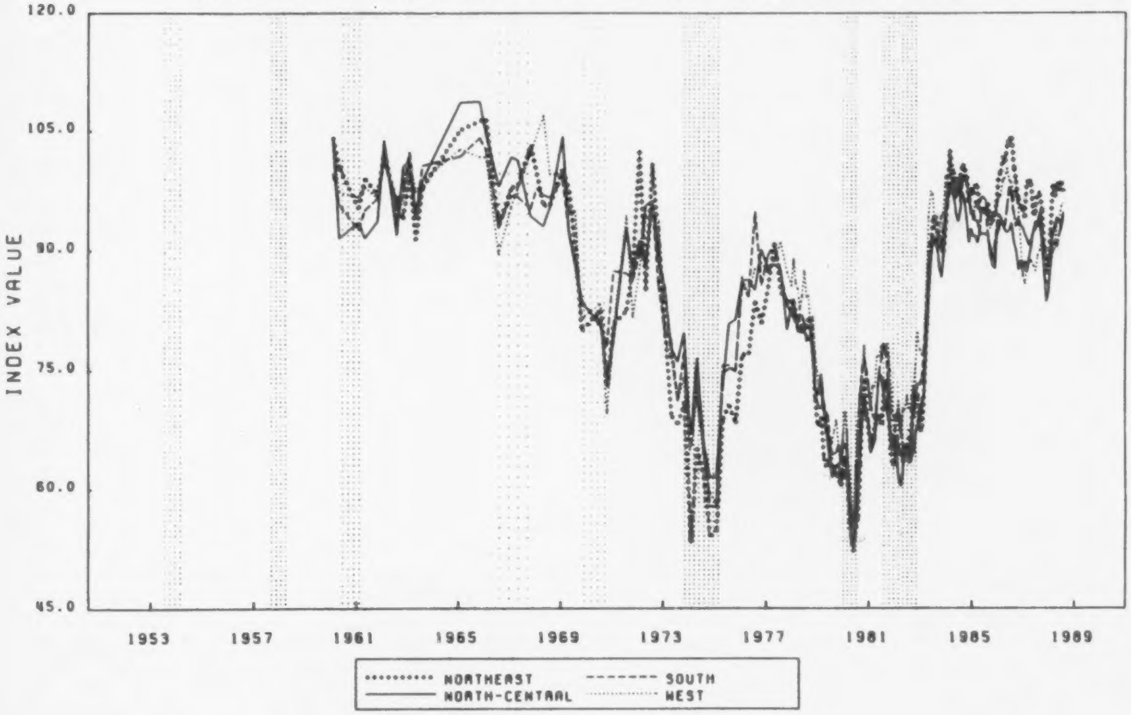


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

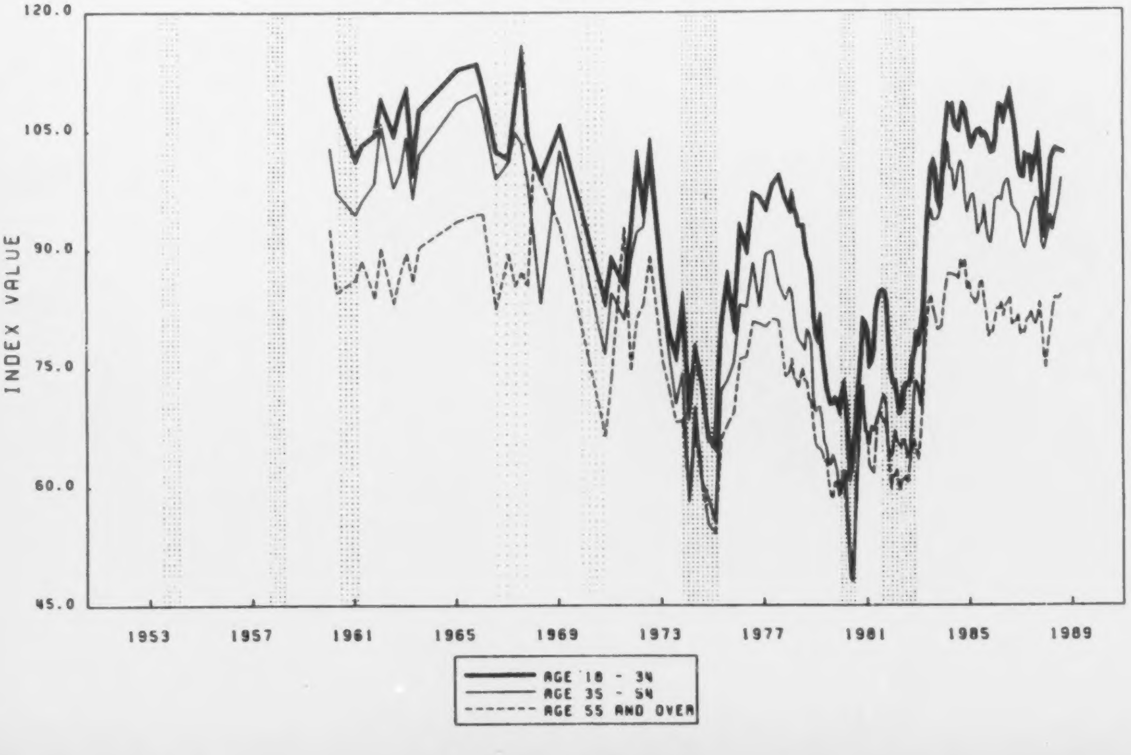


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June	1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July	1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August	1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

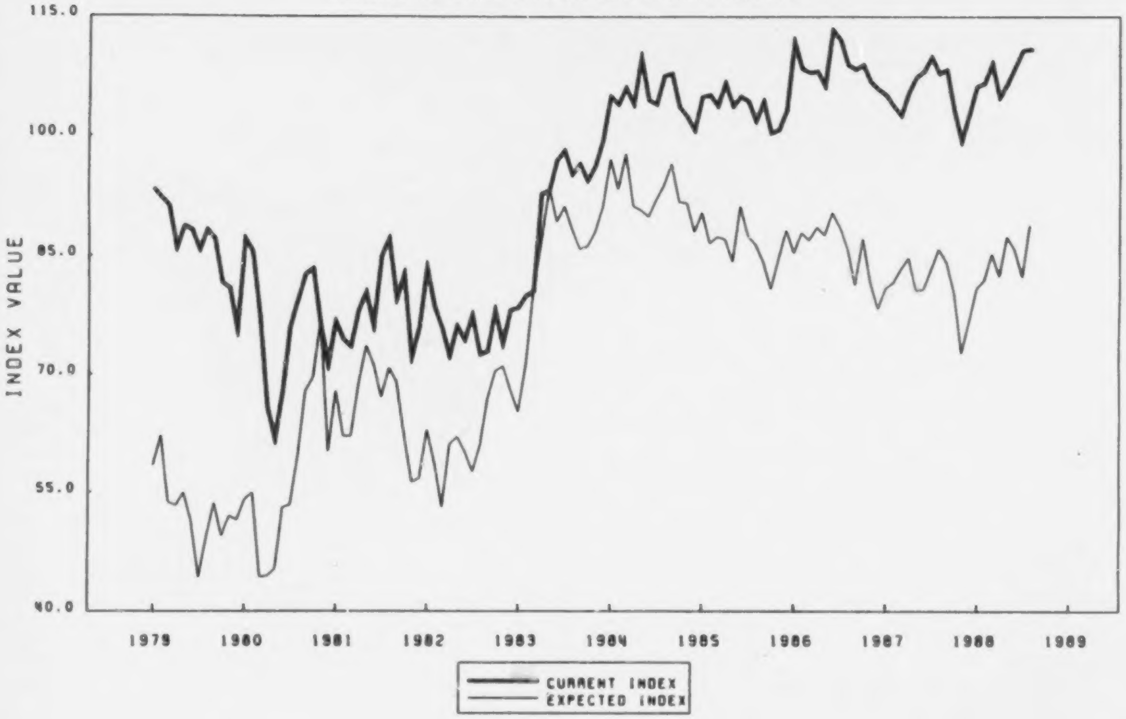


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

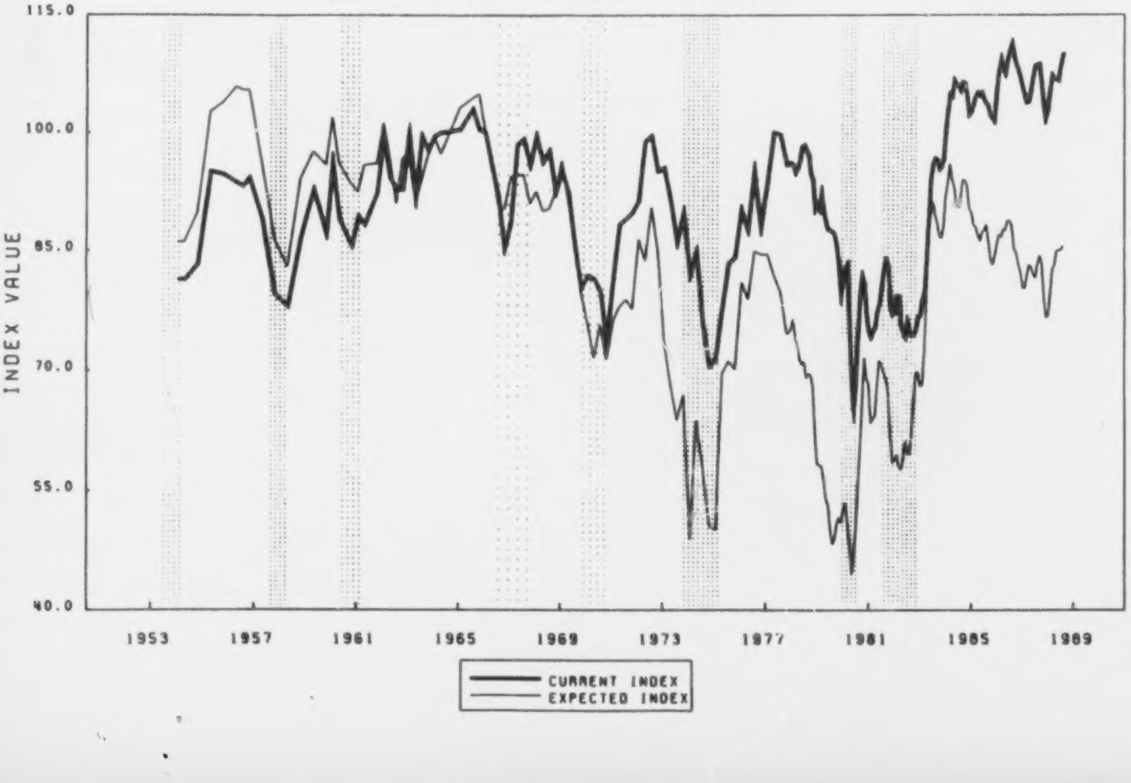


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

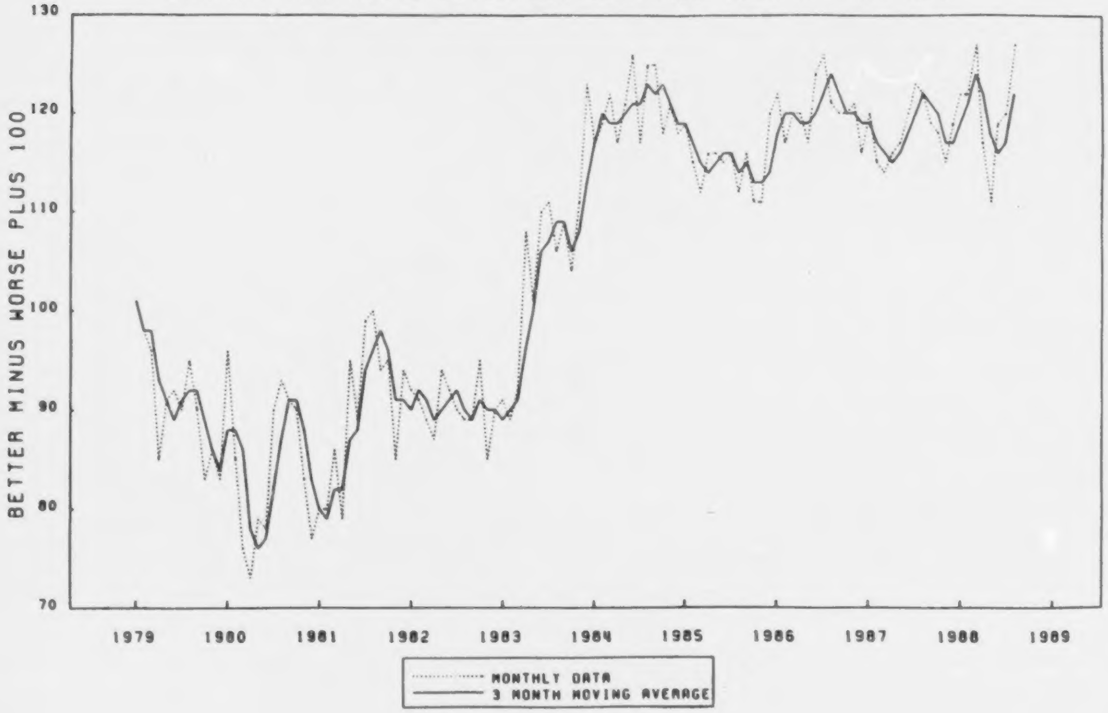


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

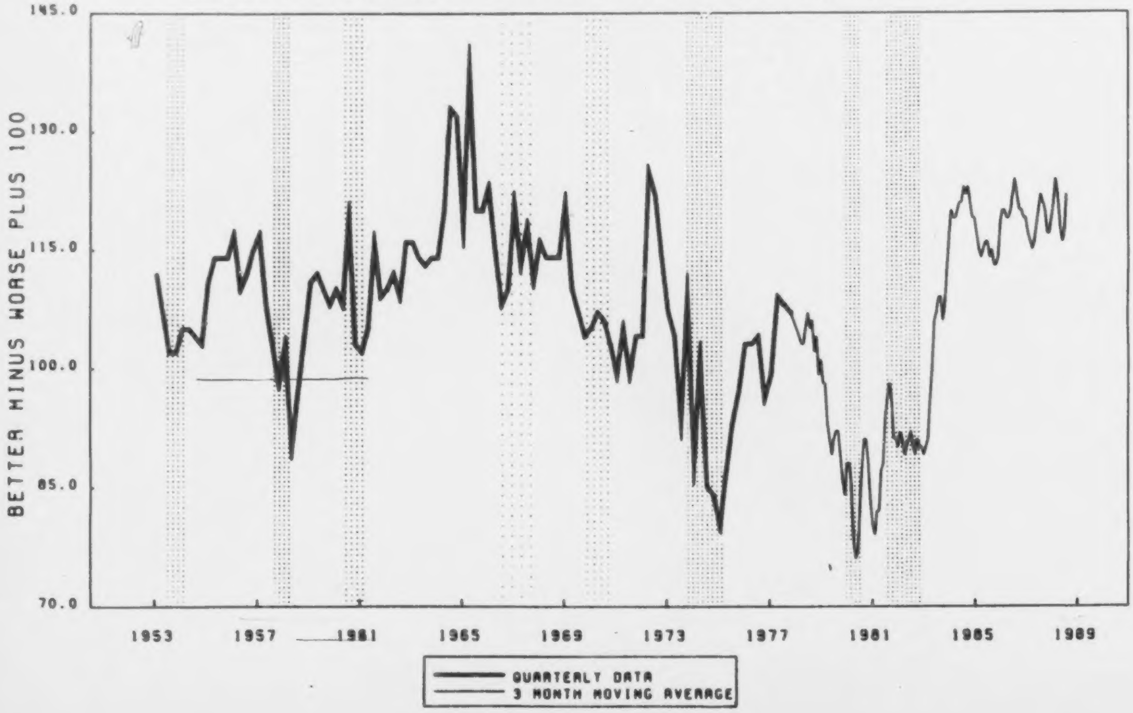


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
BETTER OFF	45%	42%	43%	42%	43%	46%	47%	49%	41%	40%	43%	45%	50%
SAME	32	34	32	31	33	29	27	29	34	31	32	29	26
WORSE OFF	23	23	25	27	24	24	25	22	24	29	24	25	23
DK,NA	*	1	*	*	*	1	1	*	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

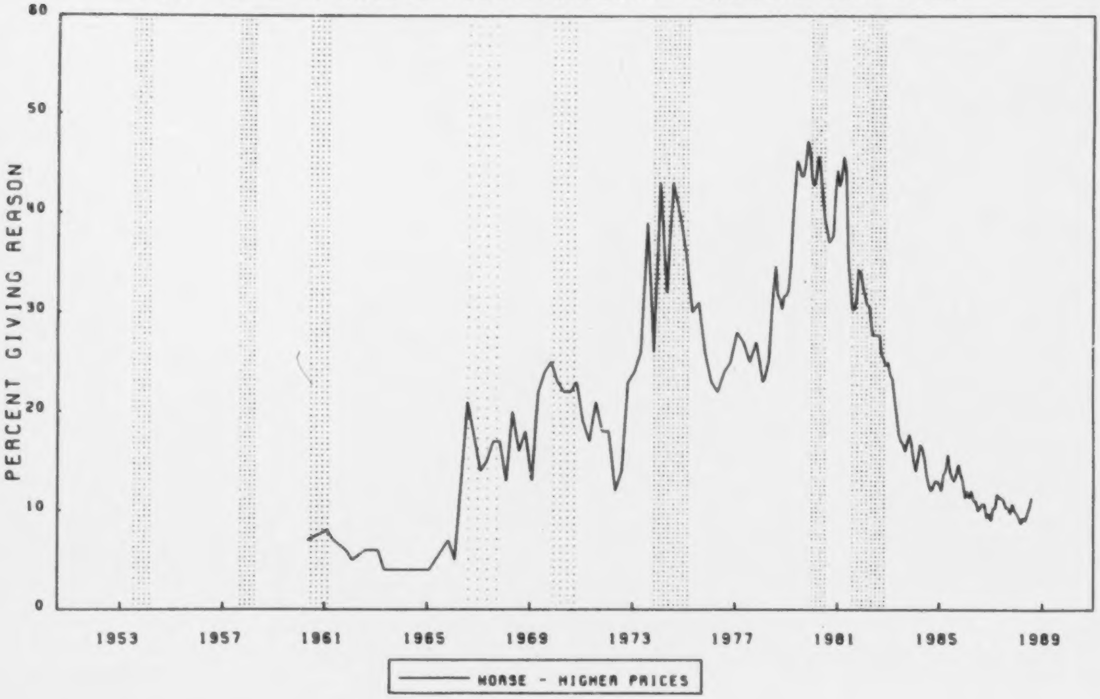


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

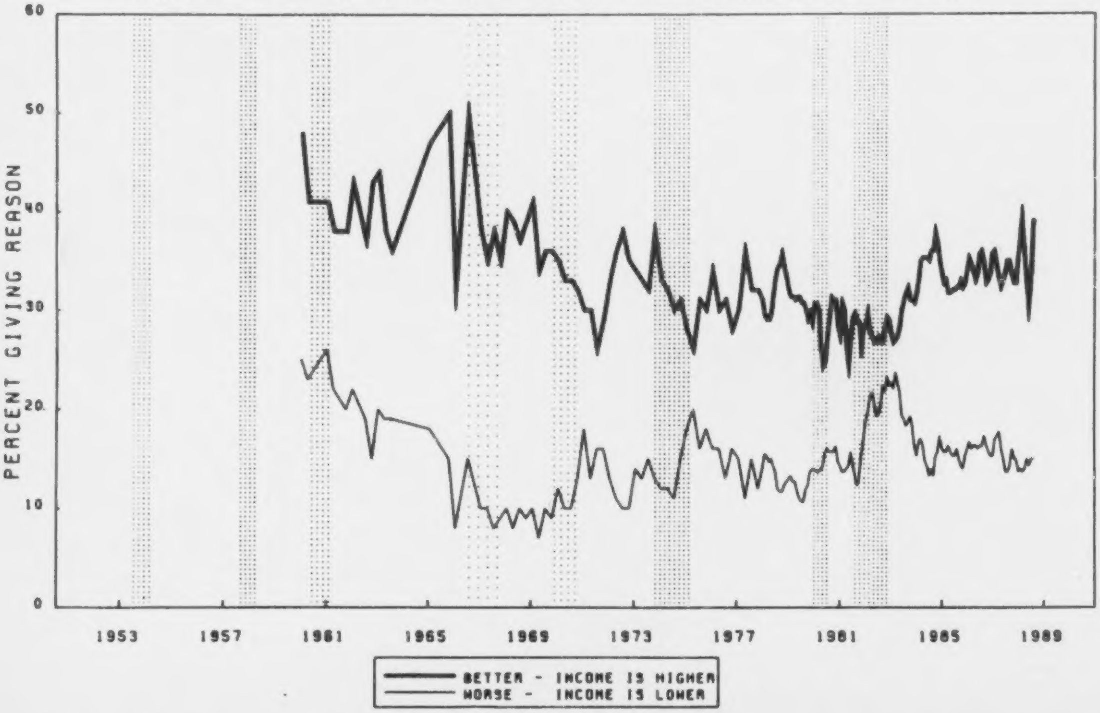


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	36%	33%	32%	33%	33%	39%	39%	40%	30%	29%	32%	40%	45%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	16	17	12	16	13	13	15	14	16	13	16	16
Higher prices	9	12	8	12	10	7	11	8	9	10	10	11	13

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

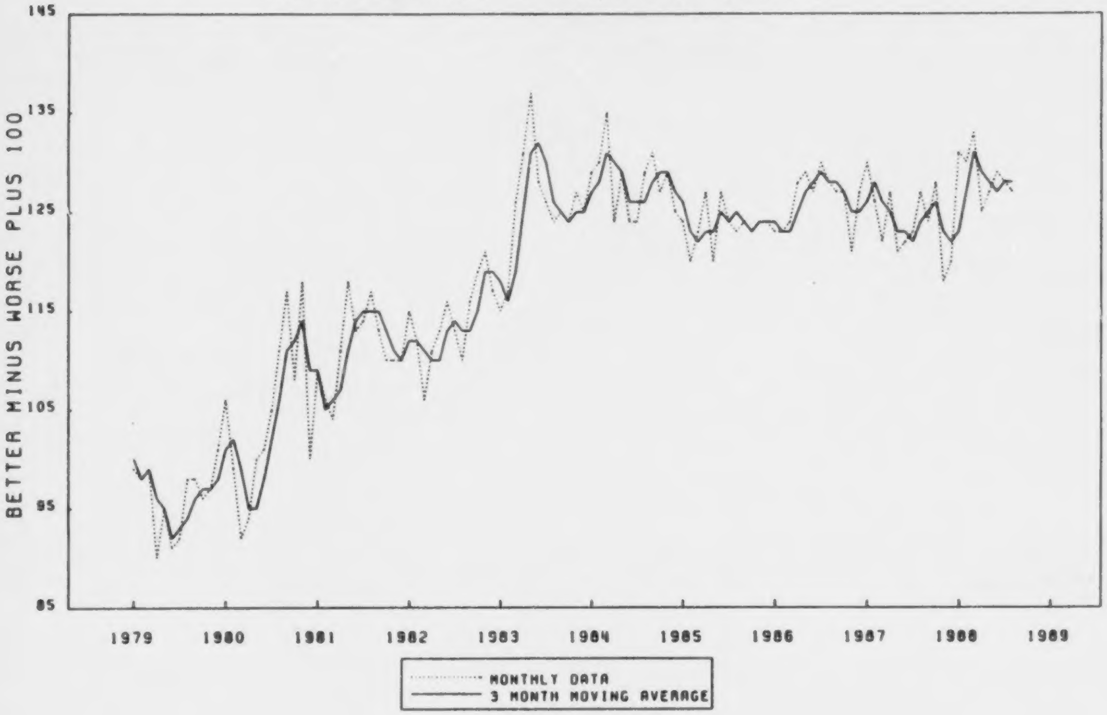


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

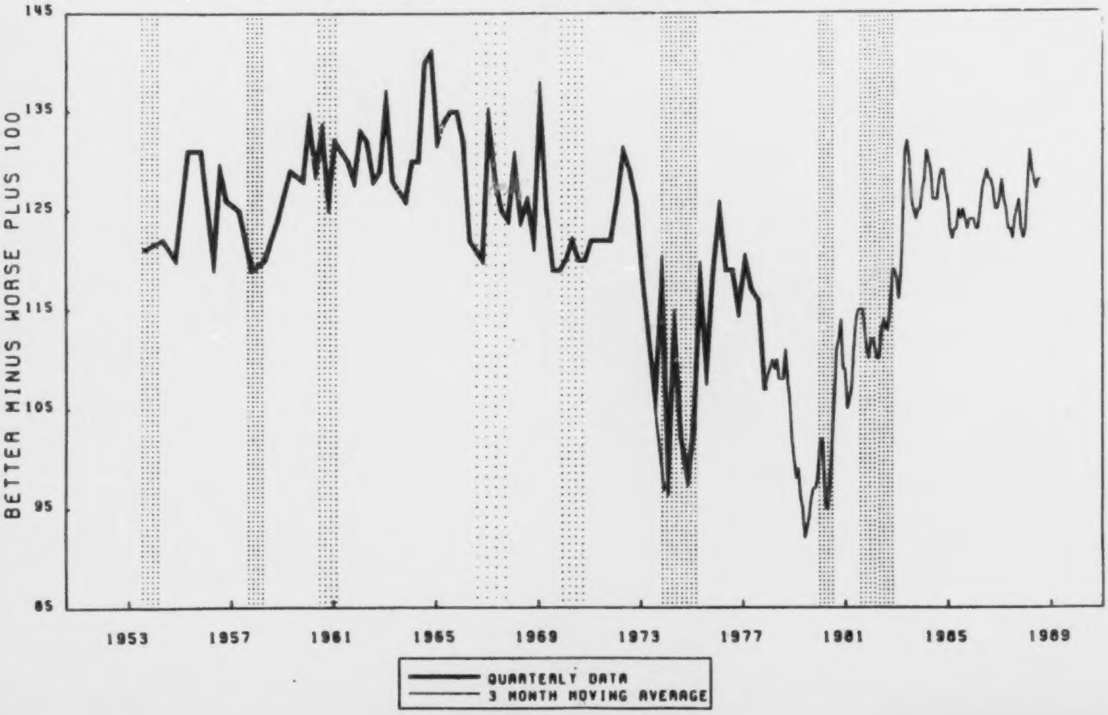


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
BETTER OFF	39%	35%	37%	33%	32%	38%	39%	39%	34%	36%	39%	38%	36%
SAME	46	49	51	49	51	53	48	52	54	52	48	48	49
WORSE OFF	12	11	9	15	12	7	9	6	9	9	10	10	9
DK,NA	3	5	3	3	5	2	4	3	3	3	3	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

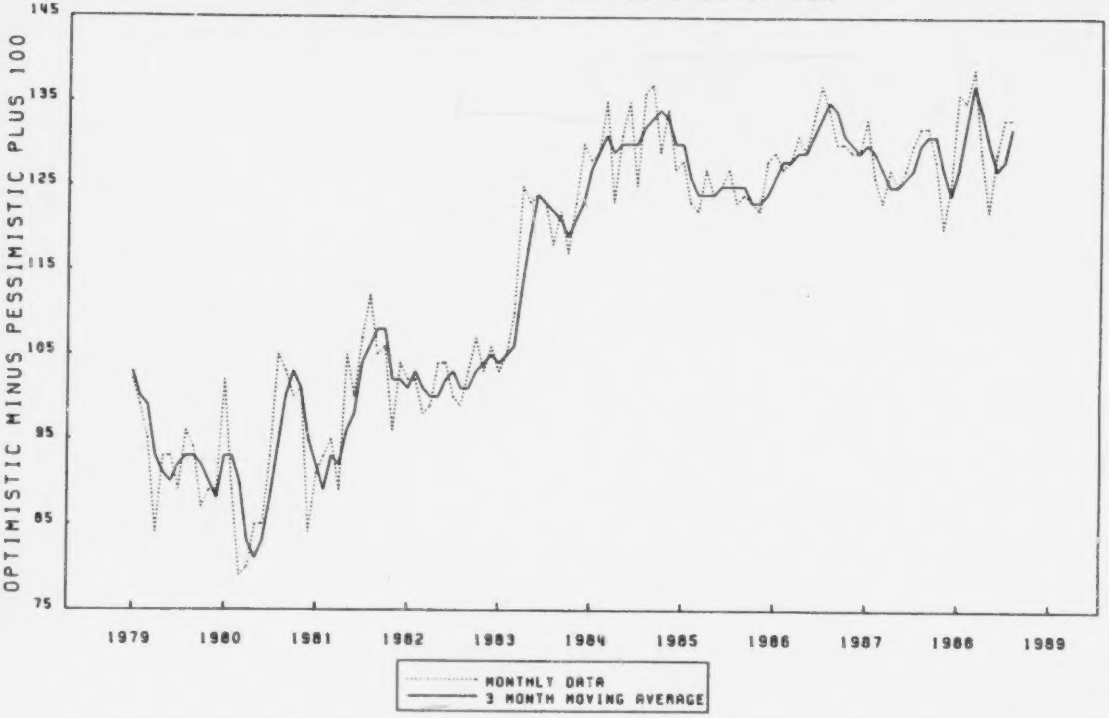


CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

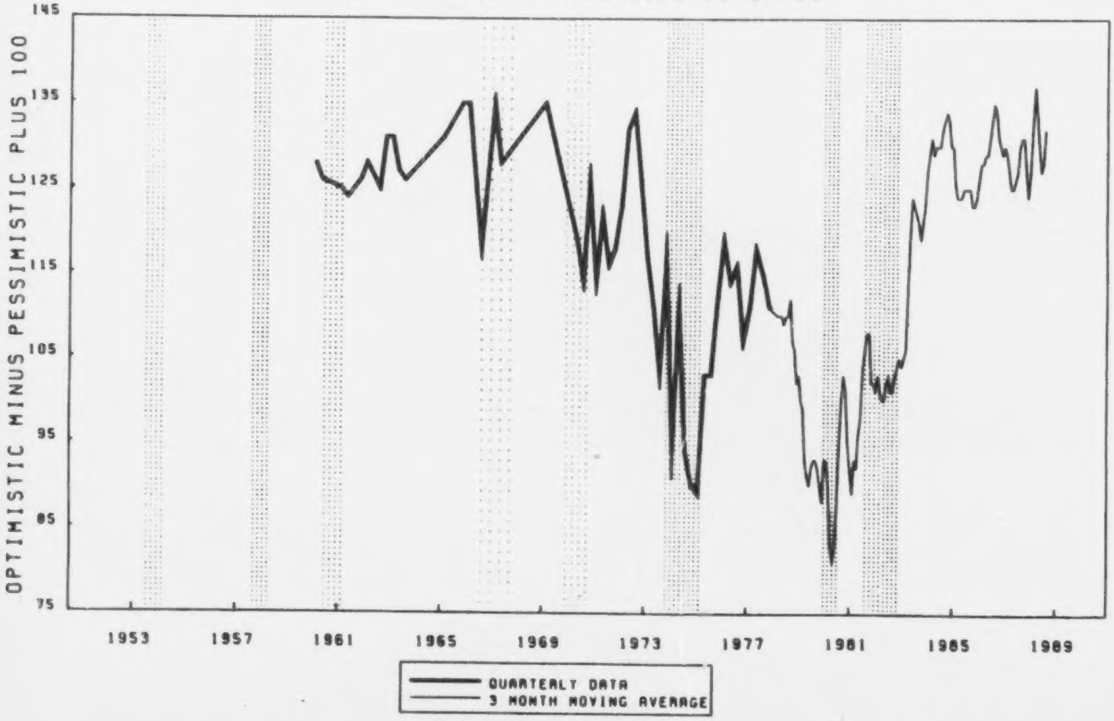


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	23%	18%	23%	19%	17%	21%	20%	25%	18%	19%	24%	19%	25%
Intermittant increase (b)	29	31	24	25	27	31	31	30	30	24	25	31	26
Remain unchanged (c)	16	19	21	18	19	19	15	17	20	21	19	16	16
Intermittant decline (d)	16	12	15	18	17	13	13	13	16	17	16	13	14
Continuous decline (e)	4	5	4	6	2	3	3	3	3	4	4	4	4
Mixed change (f)	9	10	10	11	13	11	13	9	9	13	9	13	8
DK,NA	3	5	3	3	5	2	5	3	4	2	3	4	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

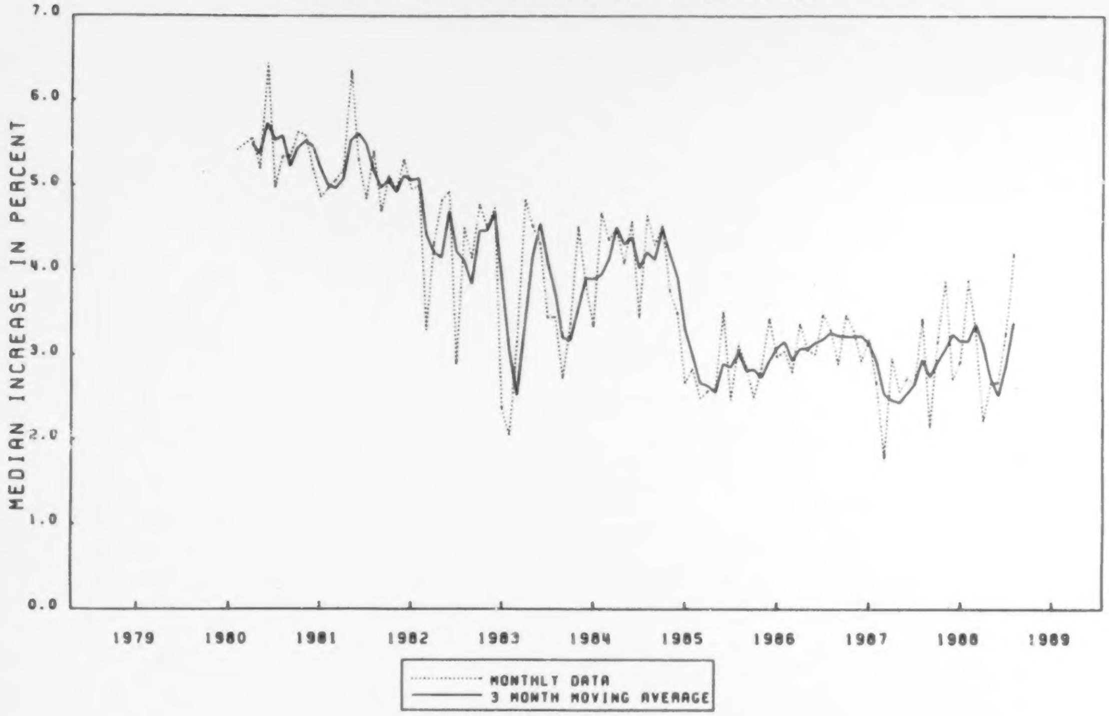


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

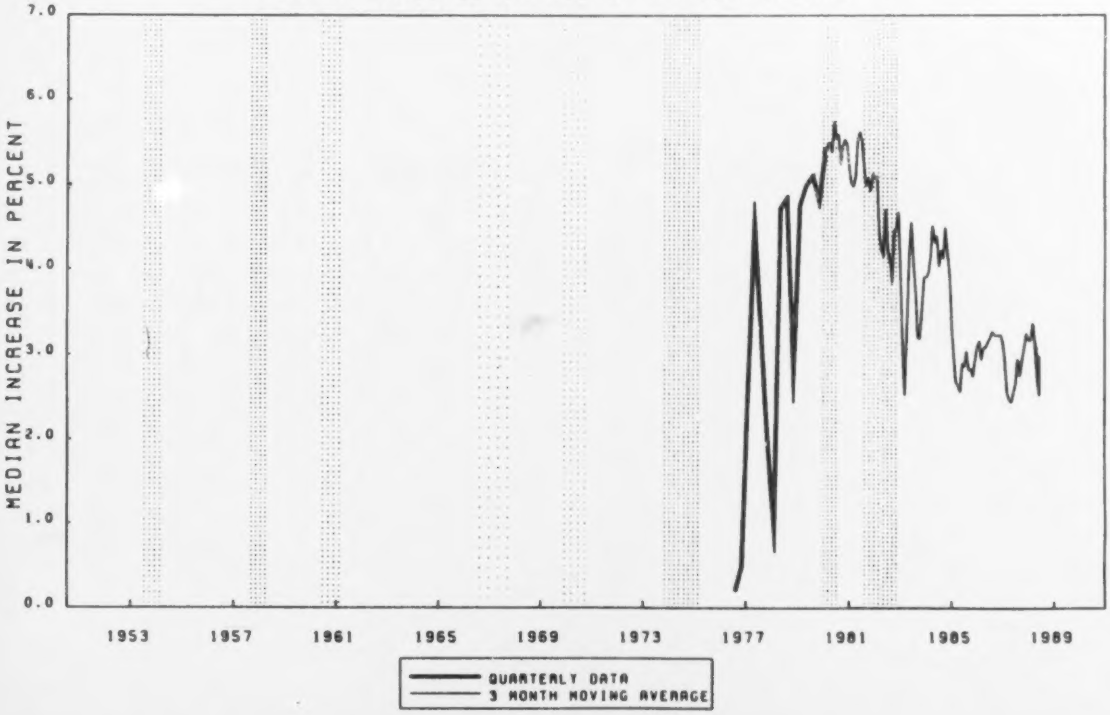


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
EXPECT INCREASE:													
1-4%	17%	17%	15%	18%	19%	18%	16%	16%	16%	15%	15%	18%	14%
5%	12	13	10	11	10	12	15	11	9	12	9	10	14
6-9%	6	6	9	8	8	7	8	7	6	7	7	10	9
10-24%	17	10	15	18	14	15	17	17	14	13	15	14	17
25% or more	8	6	5	7	4	6	5	7	6	9	6	7	5
DK how much up	4	5	6	2	3	4	2	2	6	2	5	5	6
EXPECT SAME	23	30	25	21	23	27	23	29	30	28	28	24	25
EXPECT DOWN	11	11	13	13	19	10	12	9	12	13	13	11	9
DK,NA	2	2	2	2	*	1	2	2	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

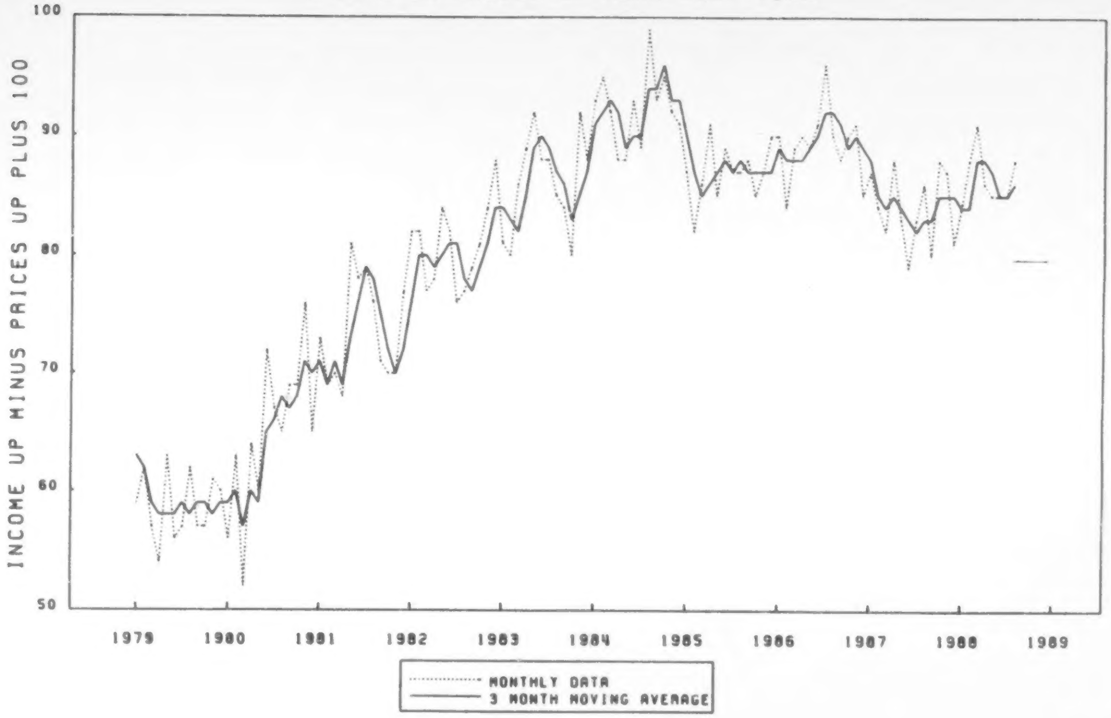


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

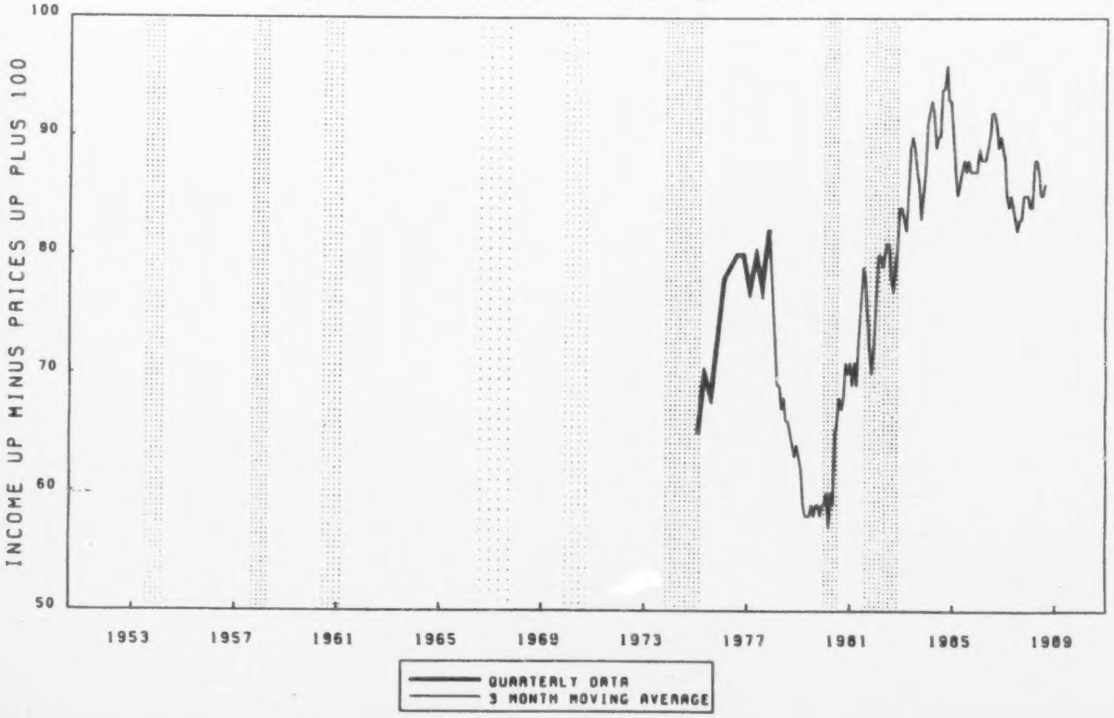


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
INCOME UP MORE	21%	18%	20%	22%	19%	19%	20%	22%	19%	19%	18%	19%	20%
INCOME UP SAME	42	42	45	43	41	44	45	44	47	44	46	46	43
PRICES UP MORE	35	38	32	35	38	35	32	31	33	34	33	34	32
DK,NA	2	2	3	*	2	2	3	3	1	3	3	1	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

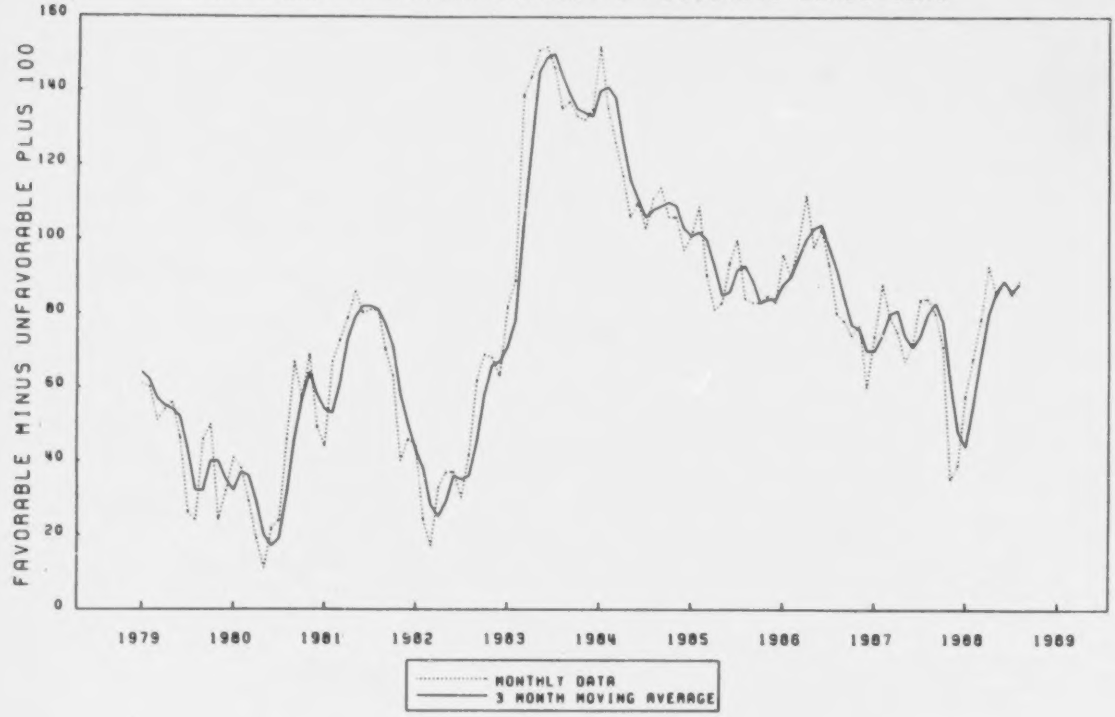


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

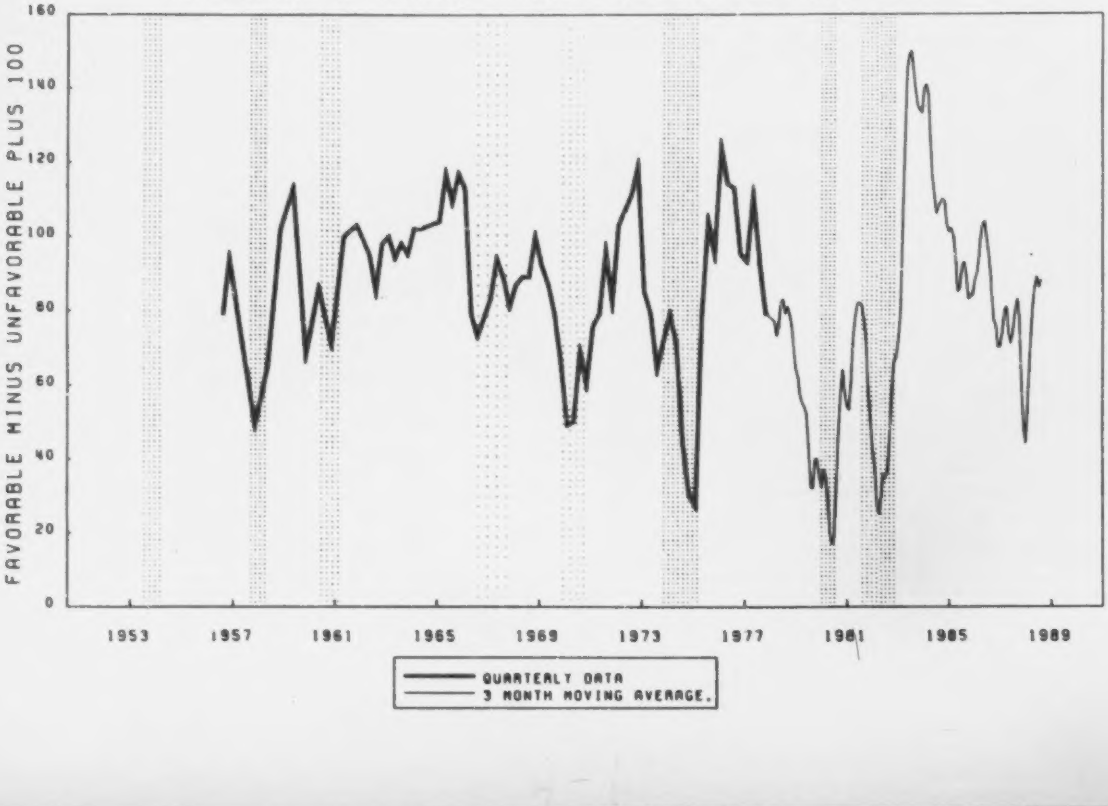


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
FAVORABLE NEWS	32%	24%	25%	18%	18%	23%	26%	29%	30%	33%	29%	29%	28%
UNFAVORABLE NEWS	48	44	54	83	79	65	58	50	37	48	40	44	39
NO MENTIONS	47	53	47	32	36	41	42	45	51	44	50	50	53

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

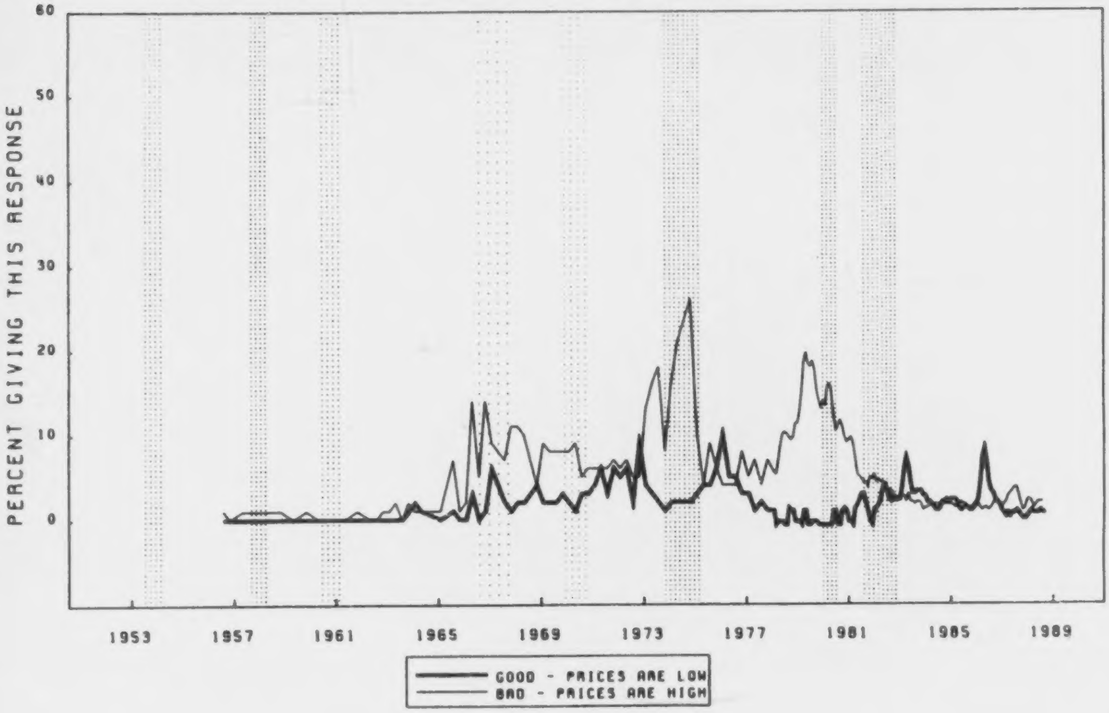


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

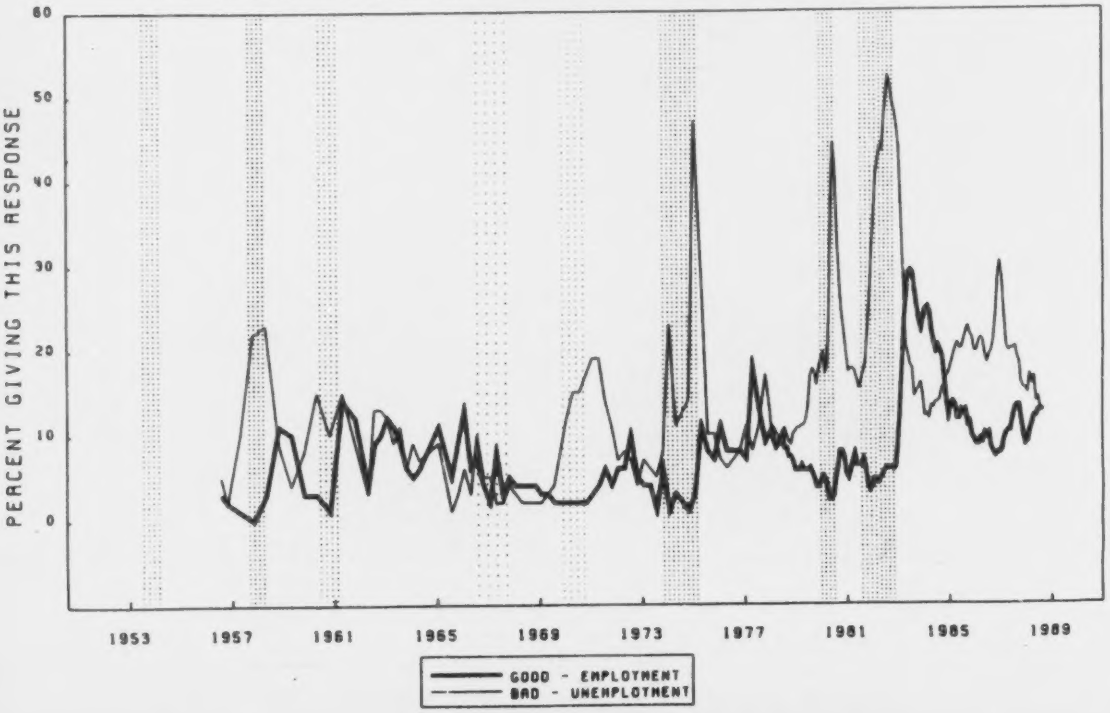


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
FAVORABLE NEWS:													
Government; elections	3%	1%	*	*	1%	1%	1%	1%	2%	3%	2%	1%	2%
Employment	15	12	13	10	7	9	11	11	11	14	11	13	14
Higher consumer demand	1	*	1	1	1	2	1	2	1	3	1	3	2
Lower prices	1	*	*	*	*	1	1	1	*	1	1	1	*
Easier credit	1	1	1	1	2	1	4	2	2	2	1	1	1
Stock market	3	2	3	2	1	*	1	2	3	2	3	3	1
Trade deficit	1	1	1	1	1	3	2	3	2	1	2	1	1
UNFAVORABLE NEWS:													
Government; elections	5	3	5	6	6	6	6	3	5	5	6	4	3
Unemployment	22	17	16	15	15	16	13	22	12	16	13	14	12
Lower consumer demand	2	1	3	5	4	4	3	1	3	3	2	2	3
Higher prices	3	1	1	1	2	4	1	1	2	2	2	2	2
Tighter credit	2	5	6	5	3	1	2	1	1	4	3	3	7
Stock market	2	2	11	38	32	21	18	10	7	7	6	5	3
Trade deficit	6	3	4	4	7	6	4	3	3	4	3	1	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

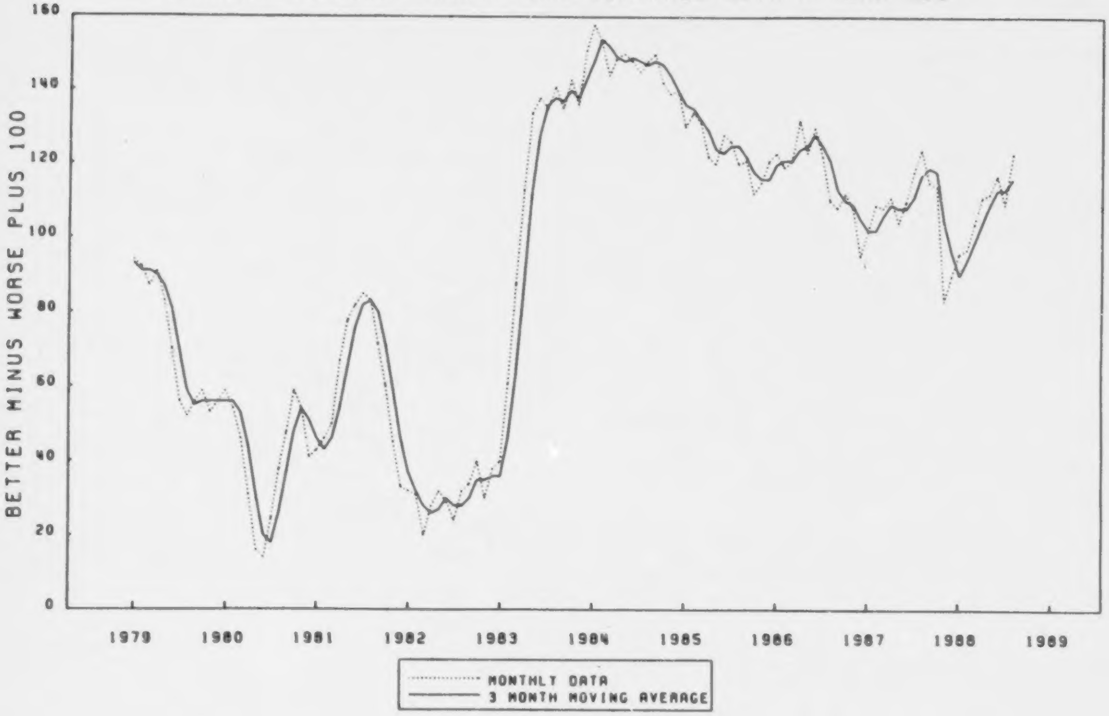


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

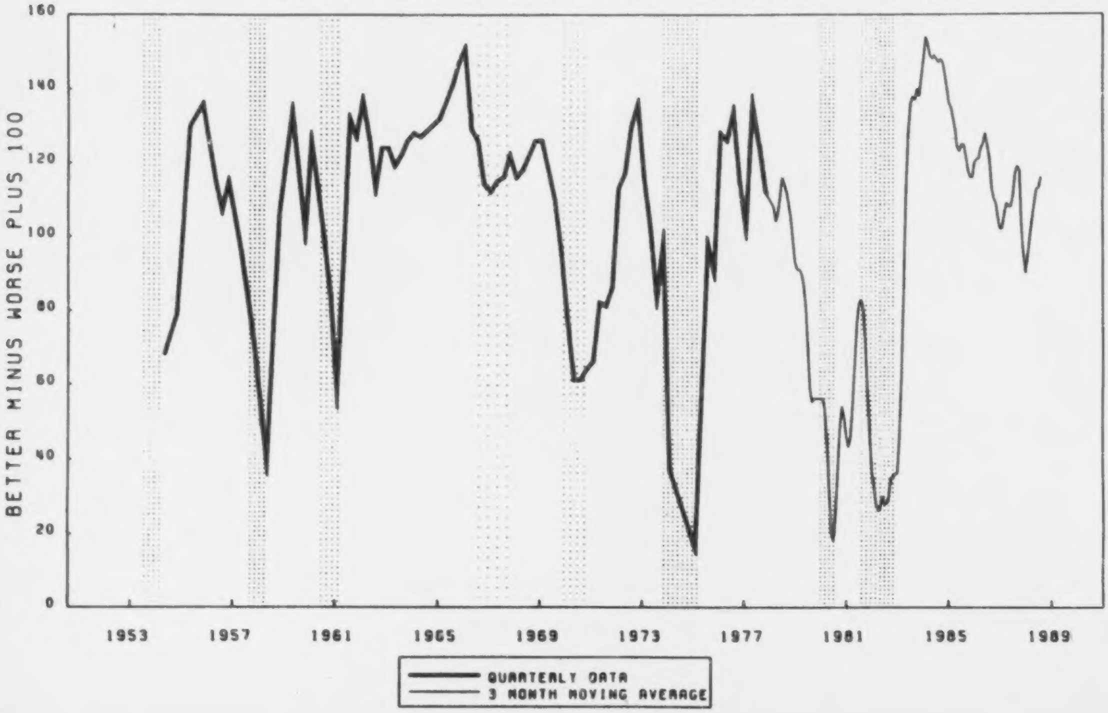


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
BETTER NOW	54%	49%	49%	33%	36%	40%	41%	40%	47%	47%	47%	45%	51%
SAME	14	14	14	16	15	14	13	21	14	17	21	15	18
WORSE NOW	30	34	35	50	46	44	44	36	36	35	30	36	28
DK,NA	2	3	2	1	3	2	2	3	3	1	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

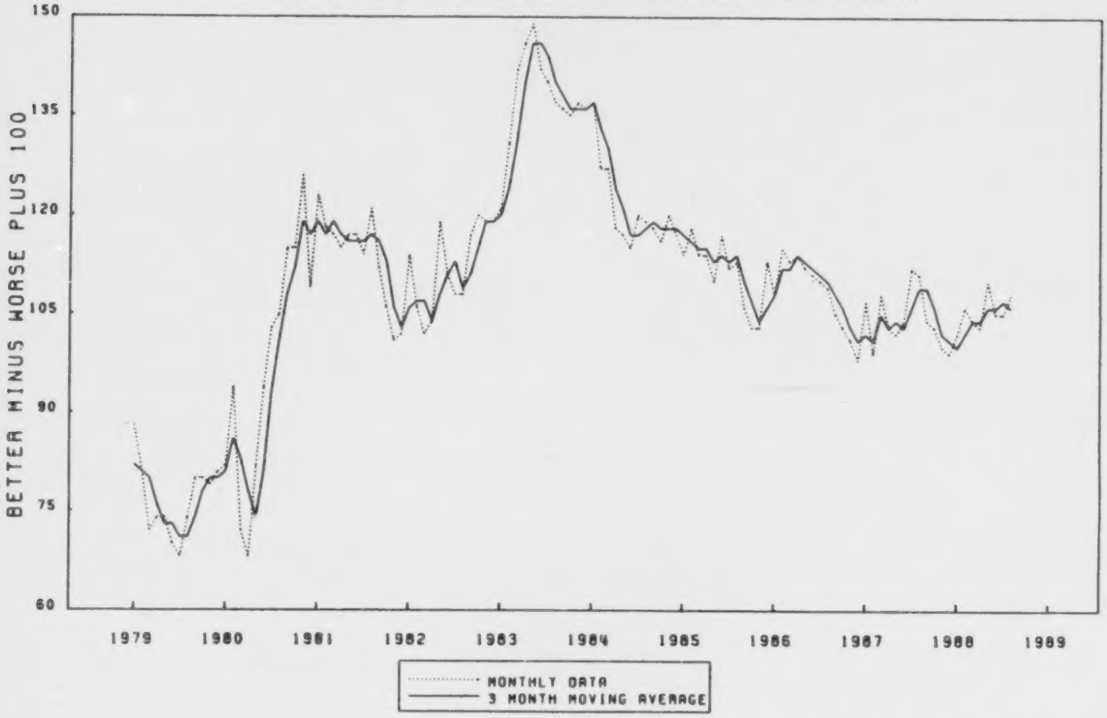


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

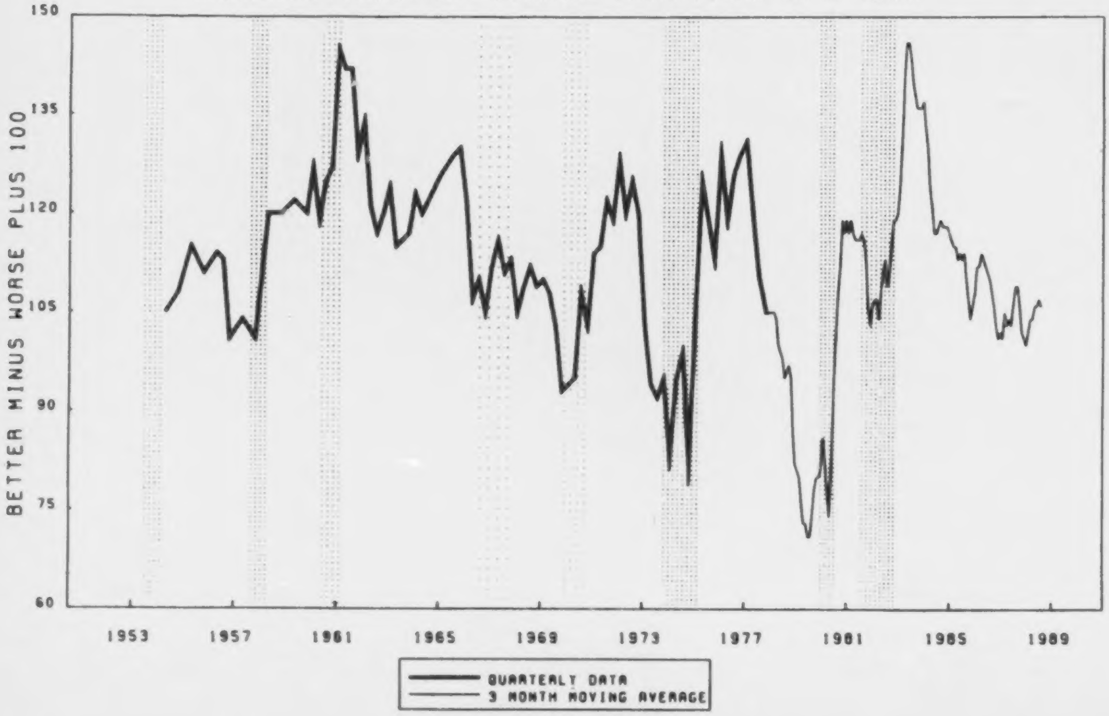


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
BETTER	25%	21%	22%	23%	22%	21%	23%	21%	21%	26%	24%	23%	24%
SAME	57	58	57	52	53	58	58	58	57	53	54	53	54
WORSE	14	17	19	23	23	19	17	17	18	16	19	18	16
DK,NA	4	4	2	2	2	2	2	4	4	5	3	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

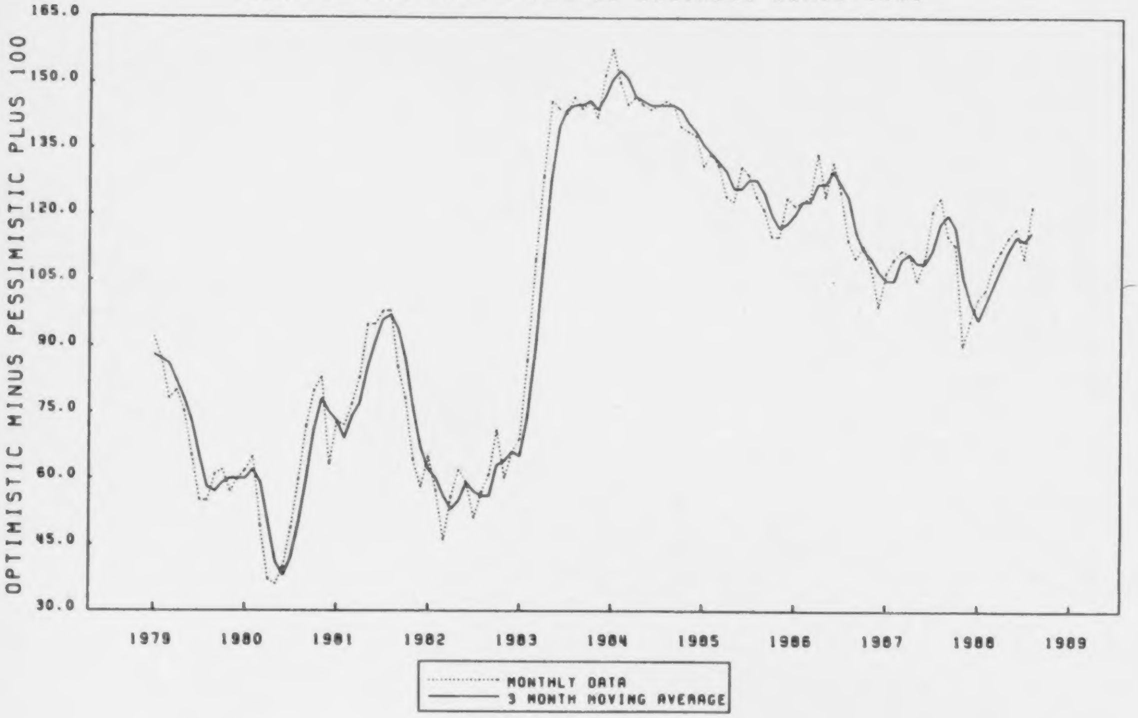


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

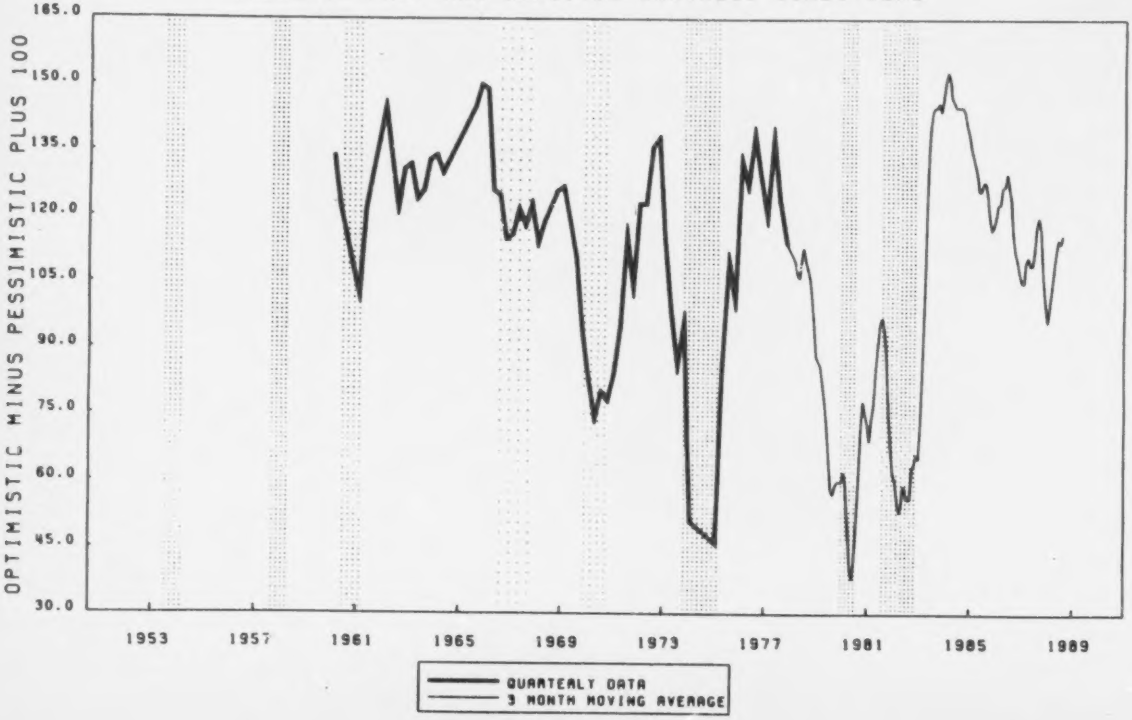


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
TREND:													
Continuous increase (a)	19%	14%	16%	10%	10%	11%	12%	10%	14%	16%	15%	12%	18%
Intermittant increase (b)	33	32	29	22	24	29	27	30	30	29	30	28	29
Remain unchanged (c)	9	9	10	10	10	8	10	12	9	9	13	9	11
Intermittant decline (d)	20	21	21	26	22	25	24	21	20	20	18	20	17
Continuous decline (e)	8	10	11	16	16	14	12	10	12	10	10	10	8
Mixed change (f)	6	9	10	14	13	10	11	11	9	11	10	12	8
DK,NA	5	5	3	2	5	3	4	6	6	5	4	9	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

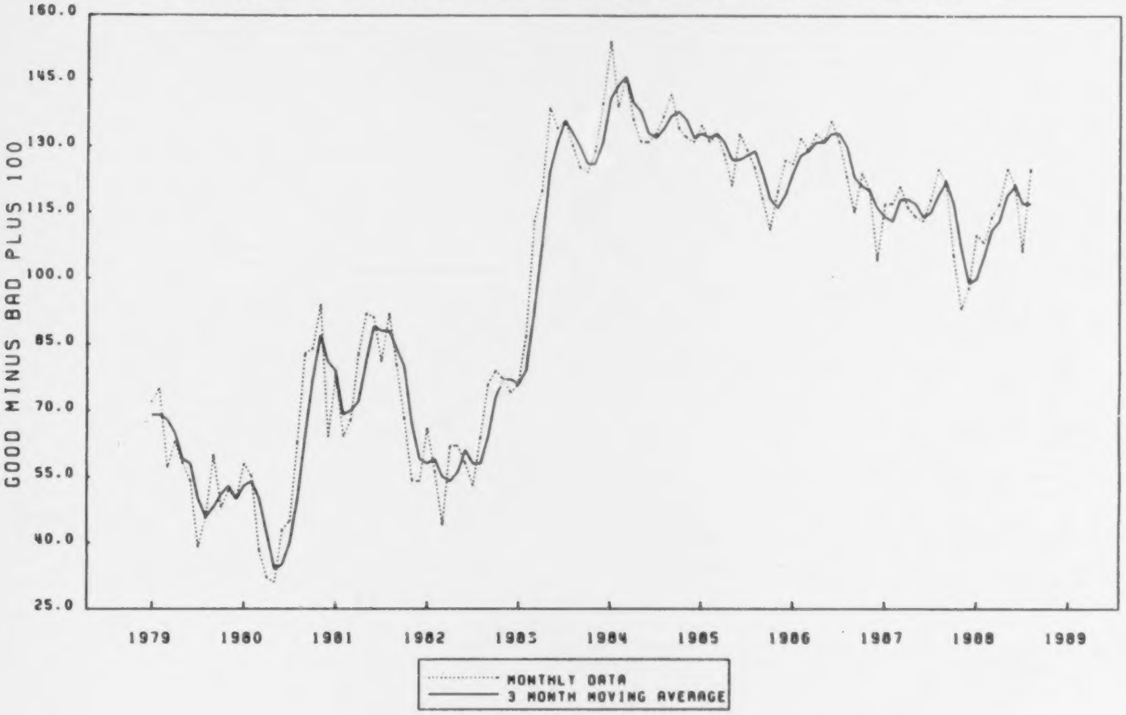


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

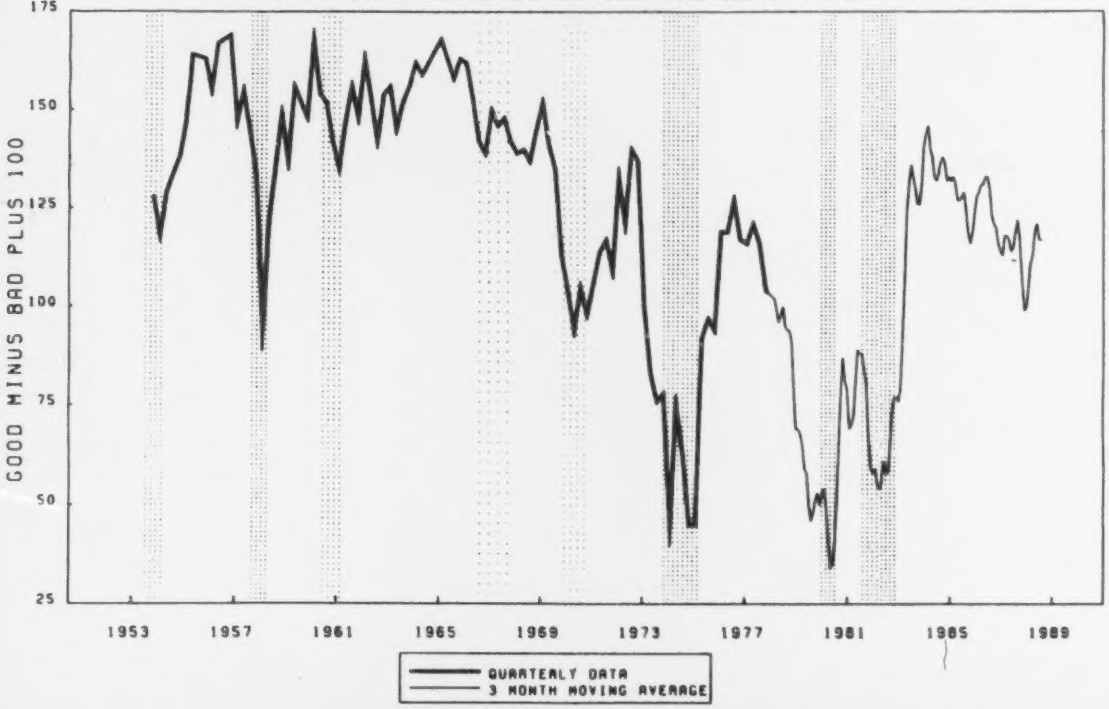


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIMES	55%	51%	43%	38%	41%	47%	45%	47%	50%	54%	54%	44%	52%
UNCERTAIN; GOOD & BAD	3	5	3	2	4	4	4	4	4	4	3	4	4
BAD TIMES	30	29	38	45	43	37	37	33	33	29	33	38	27
DON'T KNOW	7	7	7	8	6	7	7	7	9	8	6	9	11
NOT ASCERTAINED	5	8	9	7	6	5	7	9	4	5	4	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

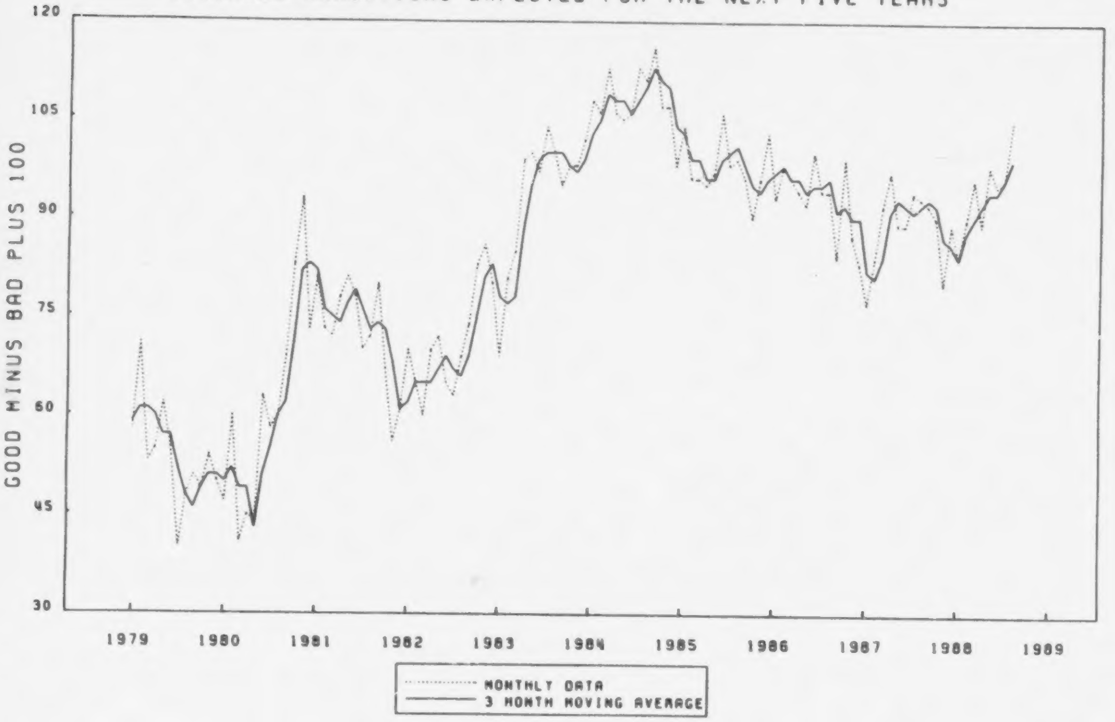


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

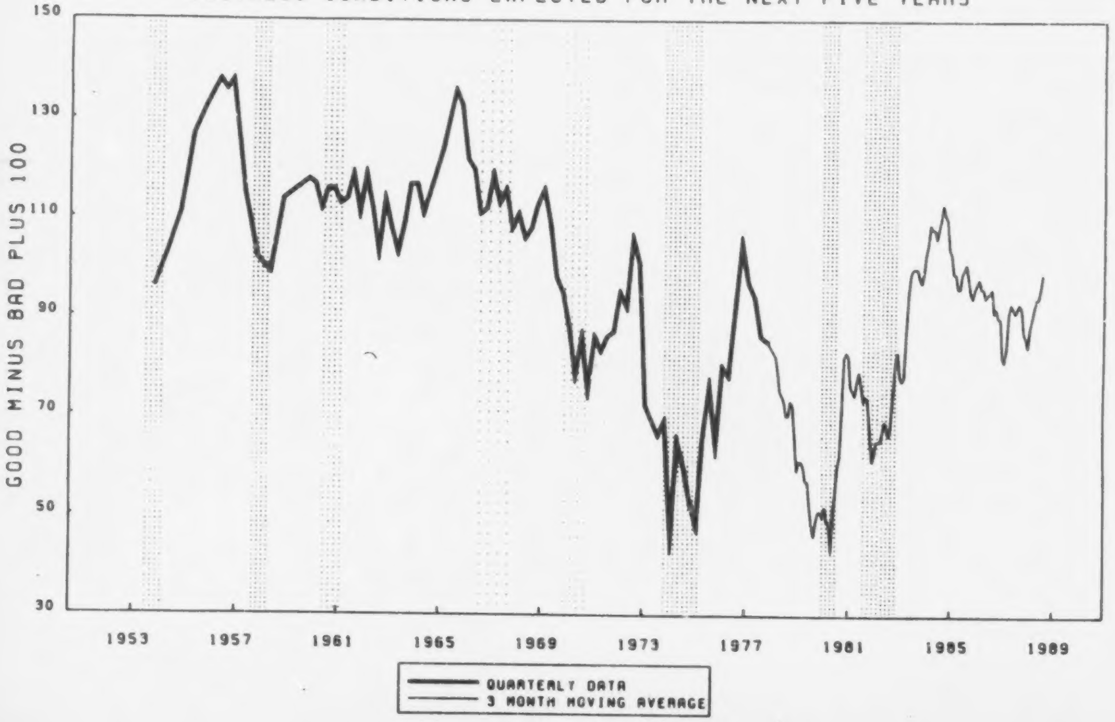


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIMES	36%	37%	36%	31%	33%	34%	35%	39%	36%	41%	36%	39%	43%
UNCERTAIN; GOOD & BAD	16	13	12	13	16	12	15	14	15	13	16	11	16
BAD TIMES	43	45	46	51	44	50	45	43	47	43	41	43	38
NOT ASCERTAINED	5	5	6	5	7	4	5	4	2	3	7	7	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

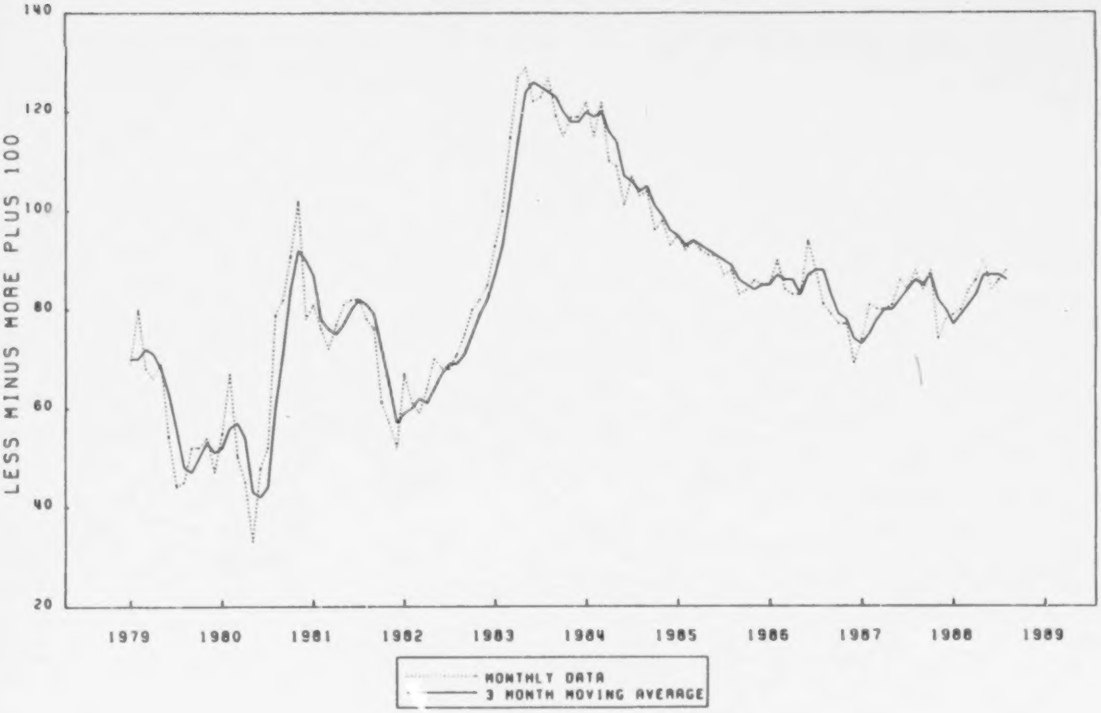


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

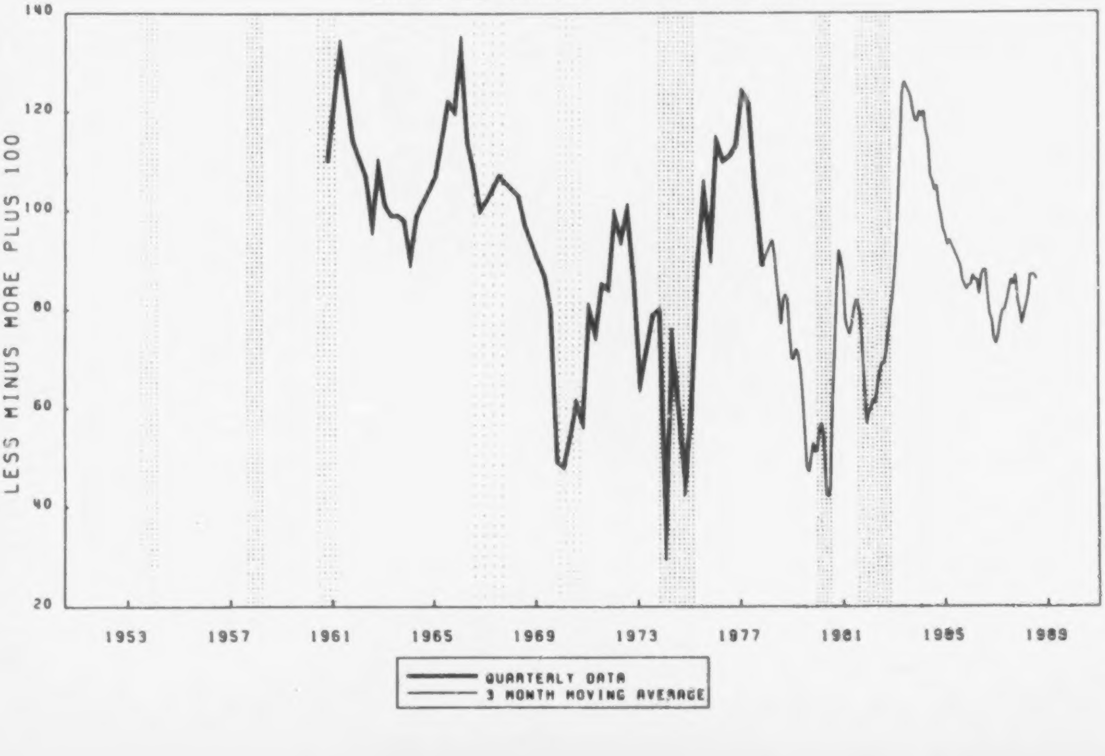


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
LESS	15%	13%	17%	10%	12%	12%	12%	12%	14%	11%	15%	15%	15%
SAME	56	57	52	53	51	54	53	58	56	67	53	54	53
MORE	27	29	29	36	34	33	33	28	28	21	31	29	27
DK,NA	2	1	2	1	3	1	2	2	2	1	1	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

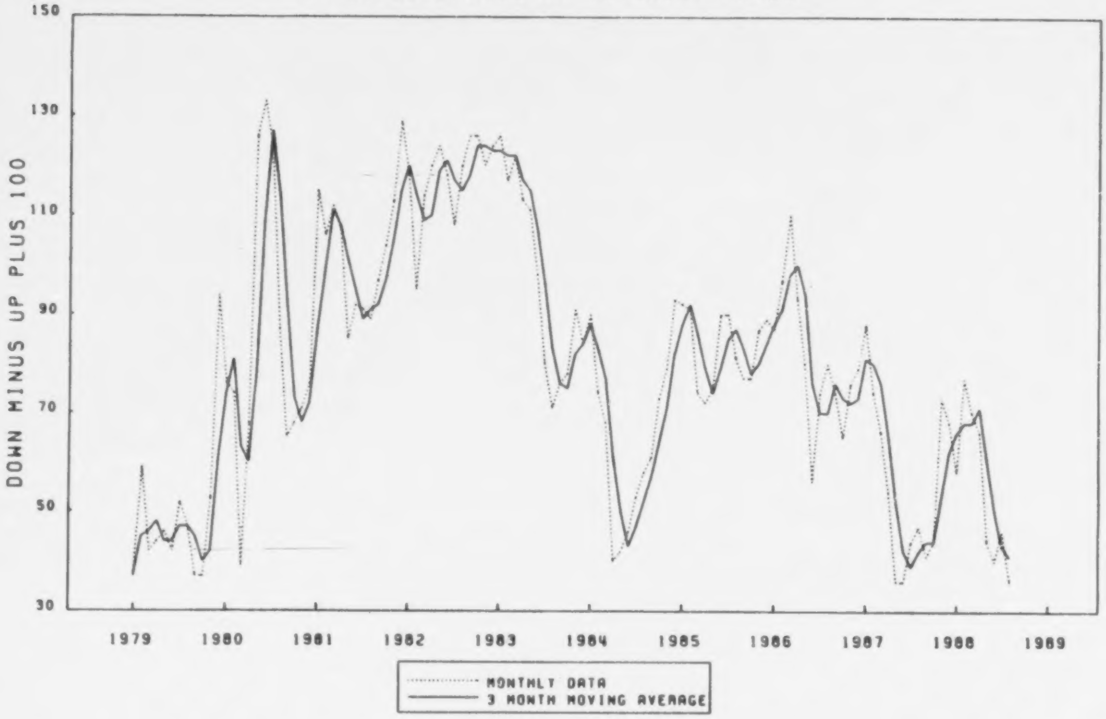


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

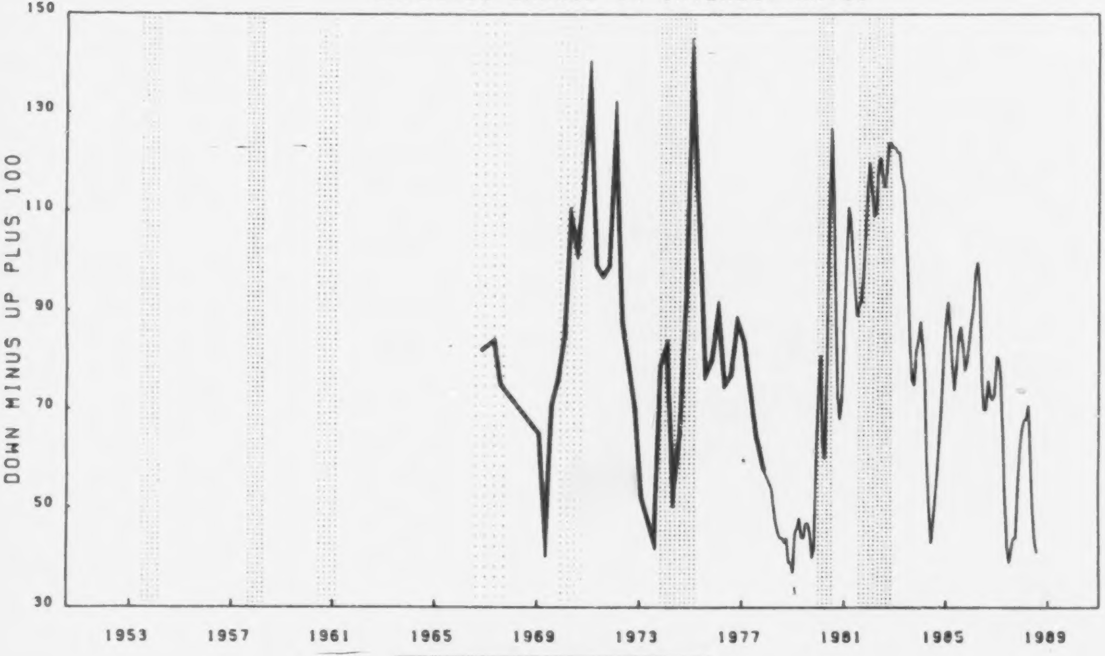


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GO UP	62%	66%	67%	49%	52%	54%	44%	49%	48%	64%	67%	65%	71%
STAY THE SAME	27	24	20	26	26	32	32	29	35	26	24	22	19
GO DOWN	9	7	11	22	20	12	21	19	14	8	7	11	7
DK,NA	2	3	2	3	2	2	3	3	3	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

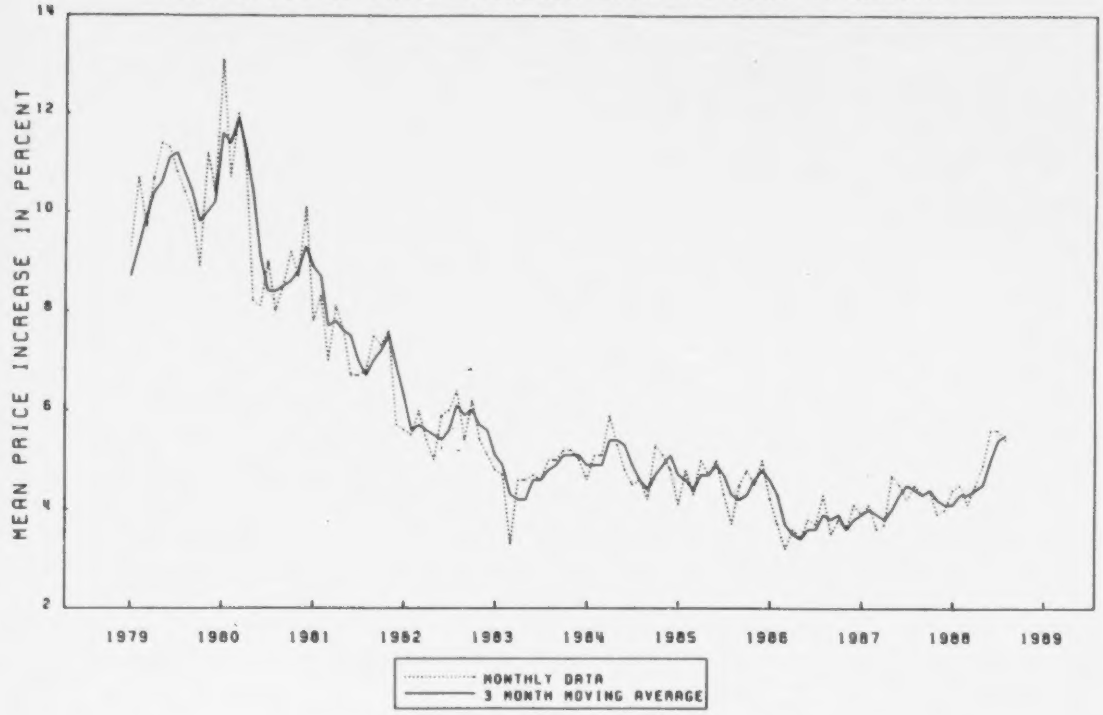


CHART 19 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

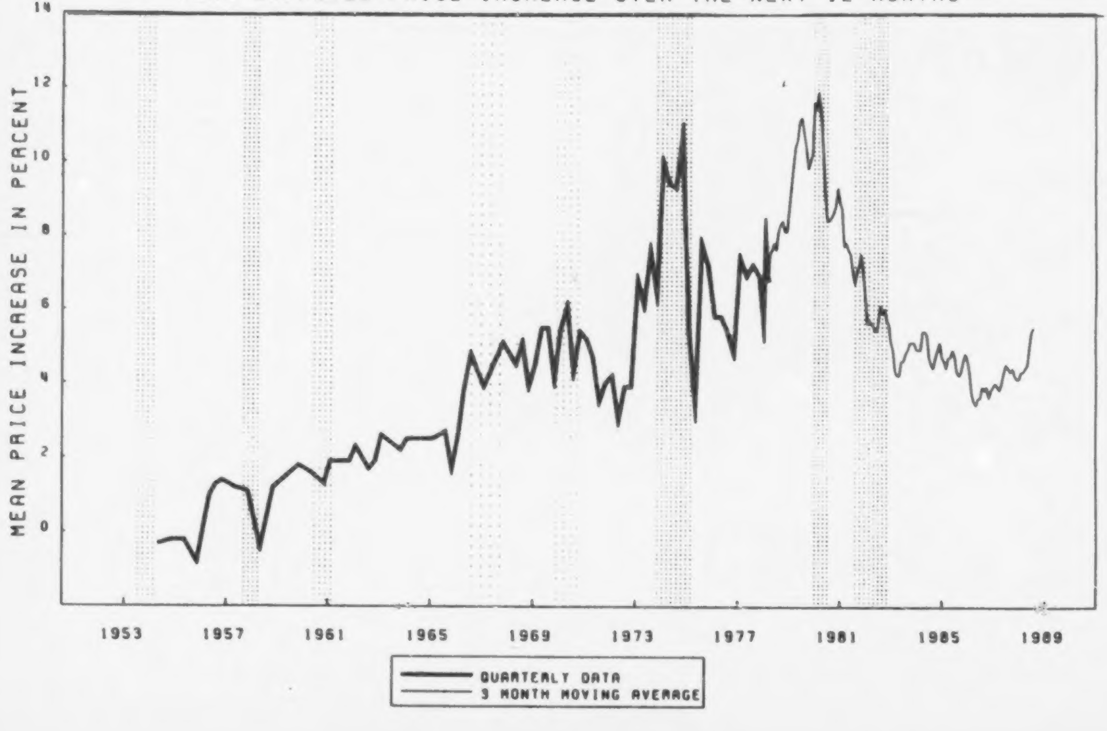


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
SAME OR DOWN	13%	17%	15%	20%	21%	23%	17%	18%	14%	13%	13%	8%	8%
WILL GO UP BY:													
1-2%	20	20	18	16	19	16	21	19	19	19	18	15	15
3-4%	25	24	23	22	21	21	23	24	25	26	20	23	23
5%	17	16	20	20	15	17	16	19	18	18	20	19	22
6-9%	8	6	7	8	8	6	6	6	7	7	8	12	9
10-14%	6	7	8	5	8	7	7	6	7	6	9	12	8
15% or more	4	3	3	4	3	6	5	3	4	6	6	6	6
DK how much up	6	5	5	4	4	3	4	5	5	4	5	5	8
DK,NA	1	2	1	1	1	1	1	*	1	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.5	4.3	4.4	3.9	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.6	5.4
VARIANCE	32	41	28	25	26	35	40	26	31	41	60	37	38
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

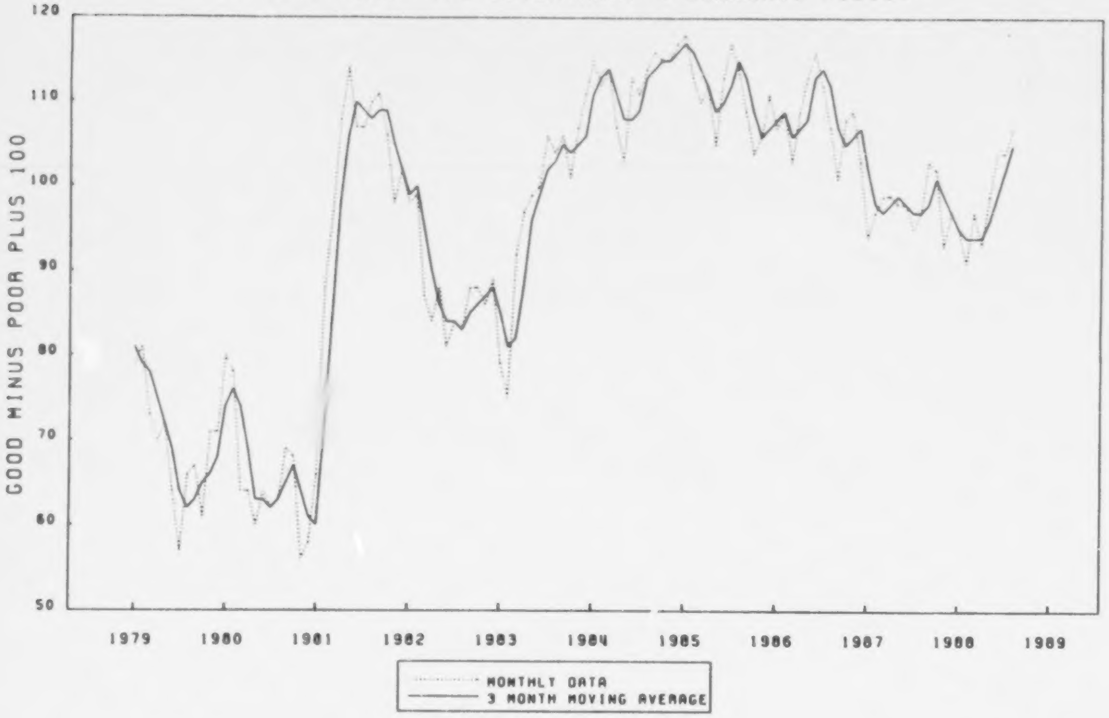


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

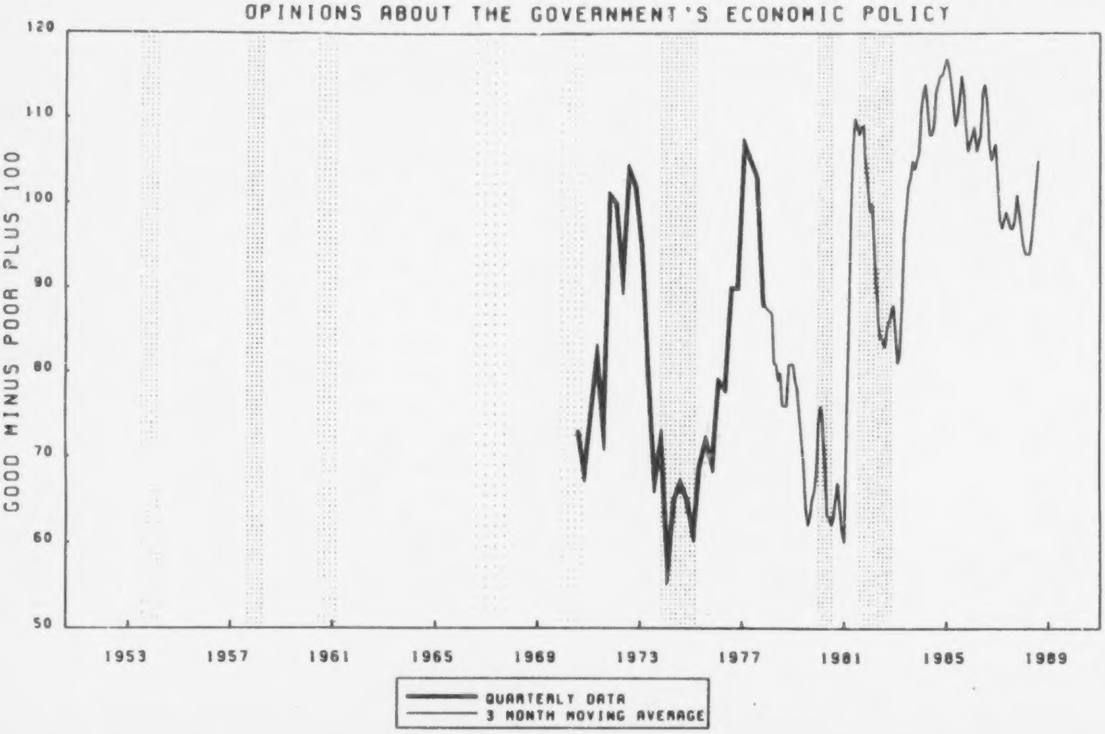


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
A GOOD JOB	23%	23%	25%	18%	19%	17%	18%	23%	18%	21%	23%	25%	28%
ONLY FAIR	48	54	48	54	56	60	53	49	56	56	57	51	48
A POOR JOB	26	20	23	25	22	22	27	26	25	22	19	21	21
DK,NA	3	3	4	3	3	1	2	2	1	1	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

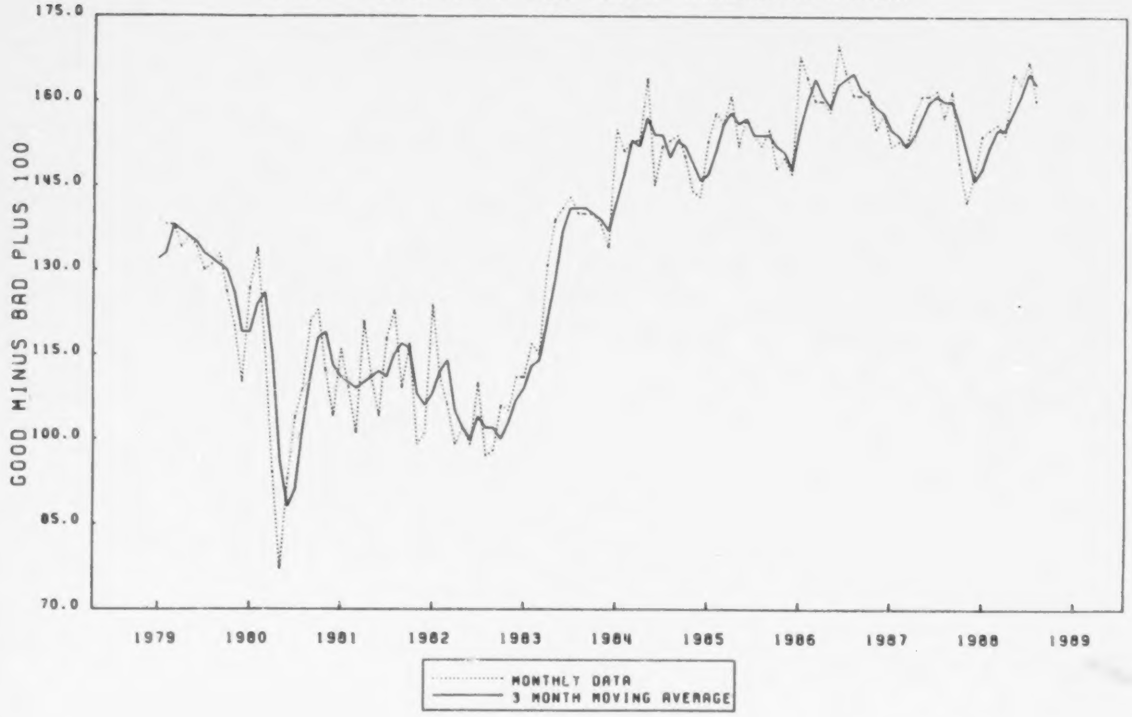


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

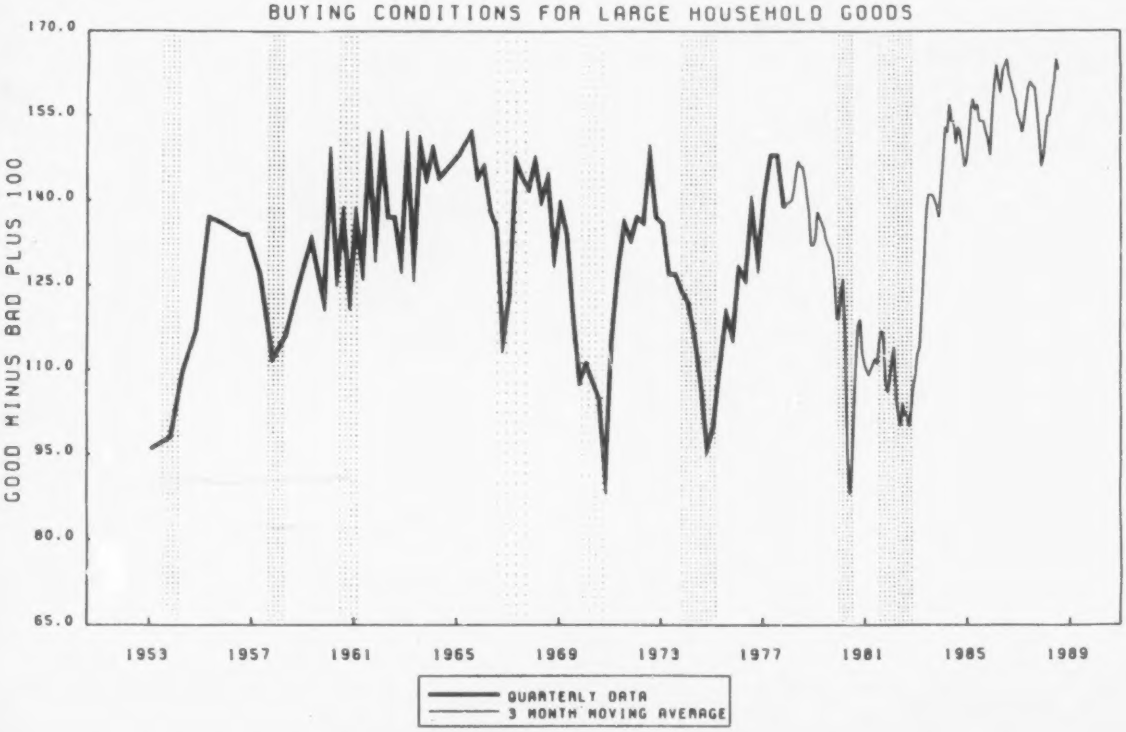


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIME TO BUY	74%	75%	69%	66%	69%	72%	72%	71%	73%	79%	74%	79%	74%
UNCERTAIN, DEPENDS	9	12	11	10	9	10	11	14	8	7	15	9	12
BAD TIME TO BUY	17	13	20	24	22	18	17	15	19	14	11	12	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

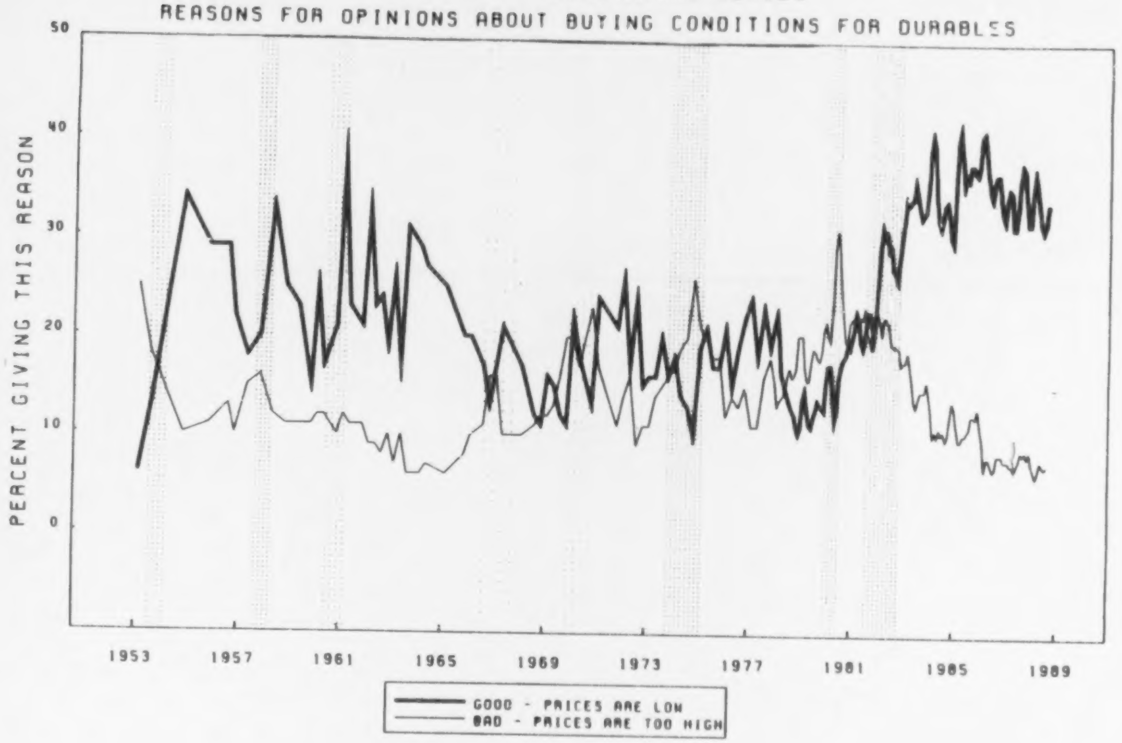


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

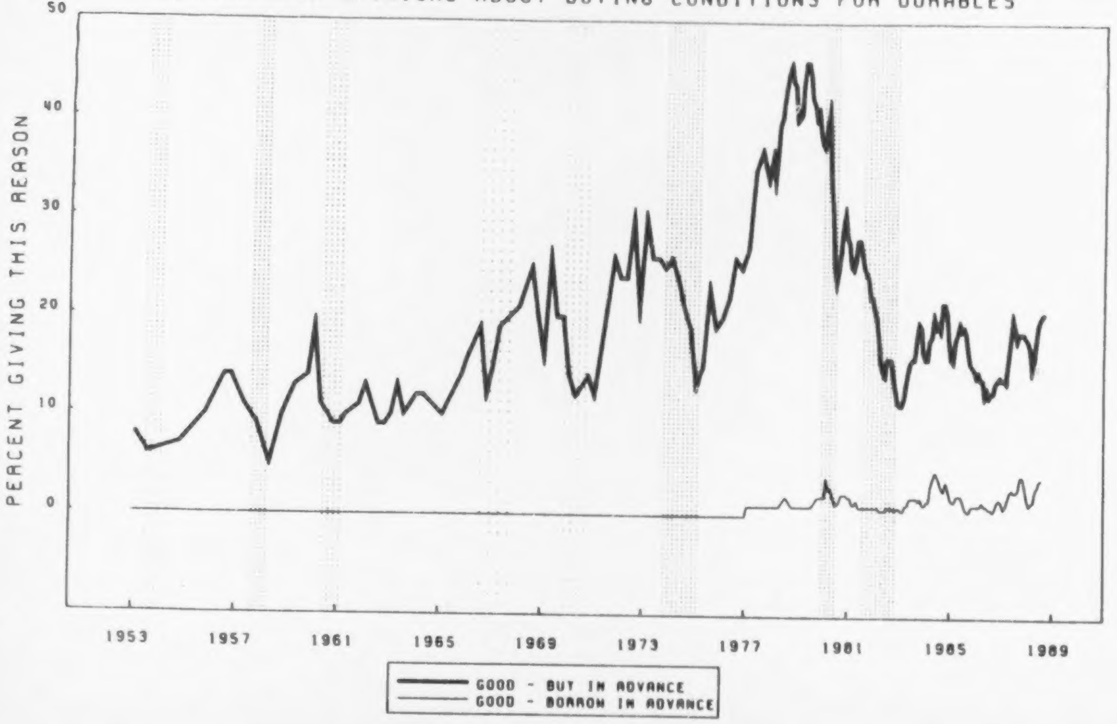


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	38%	37%	28%	30%	37%	37%	36%	33%	32%	30%	31%	34%	36%
Prices won't come down; are going higher	16	23	17	16	22	16	14	15	19	20	20	21	21
Interest rates low	15	11	9	11	8	6	8	10	9	6	8	7	7
Borrow-in-advance rates	3	4	6	3	1	2	1	2	2	5	3	4	5
Times are good; prosperity	6	6	7	4	4	6	7	8	10	7	7	10	7
BAD TIME TO BUY:													
Prices are high	9	8	9	7	10	5	5	8	7	8	7	6	9
Interest rates are high; credit is tight	4	4	4	8	6	4	5	4	4	4	2	2	3
Times are bad; can't afford to buy	5	2	6	4	4	8	6	5	6	3	2	3	3
Bad times ahead; uncertain future	1	1	4	10	5	4	4	2	4	2	1	3	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

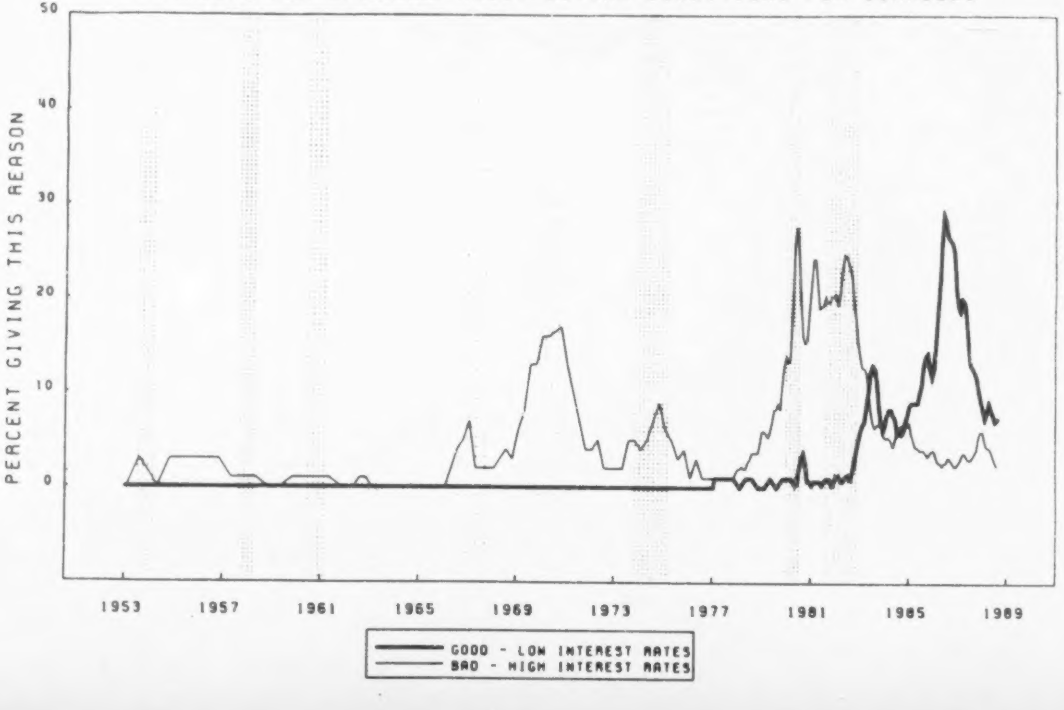


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

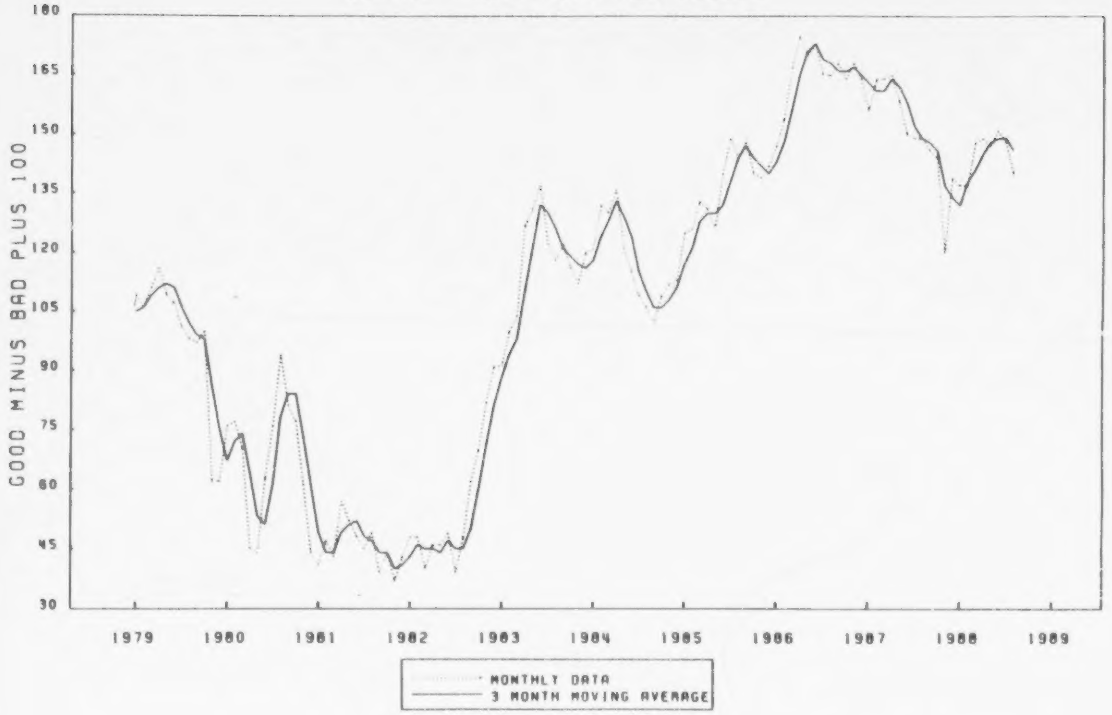


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

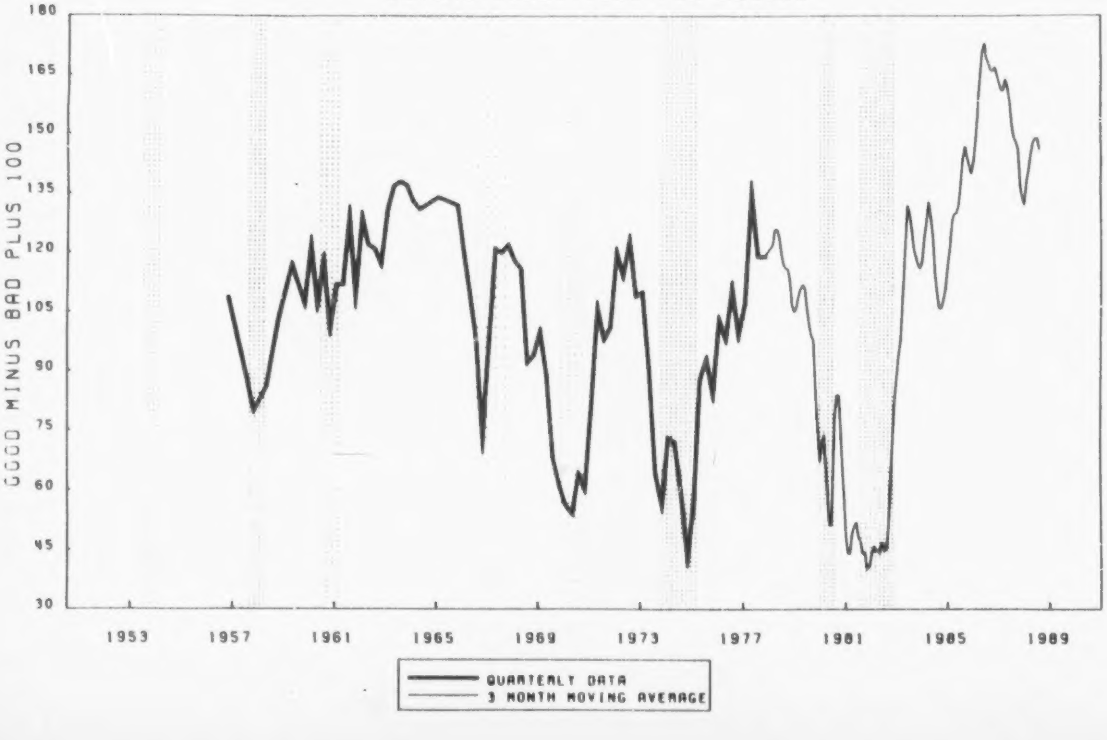


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIME TO BUY	73%	71%	70%	58%	68%	67%	67%	71%	72%	72%	73%	72%	67%
UNCERTAIN, DEPENDS	3	4	4	4	3	3	3	6	5	3	5	4	6
BAD TIME TO BUY	24	25	26	38	29	30	30	23	23	25	22	24	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

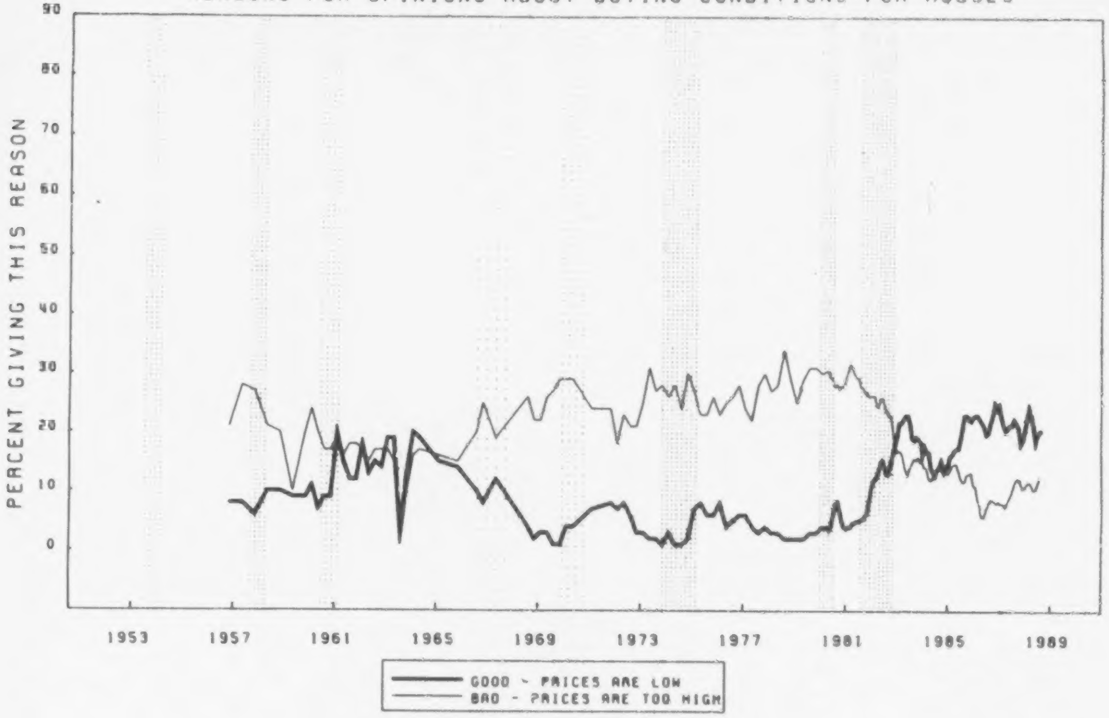


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

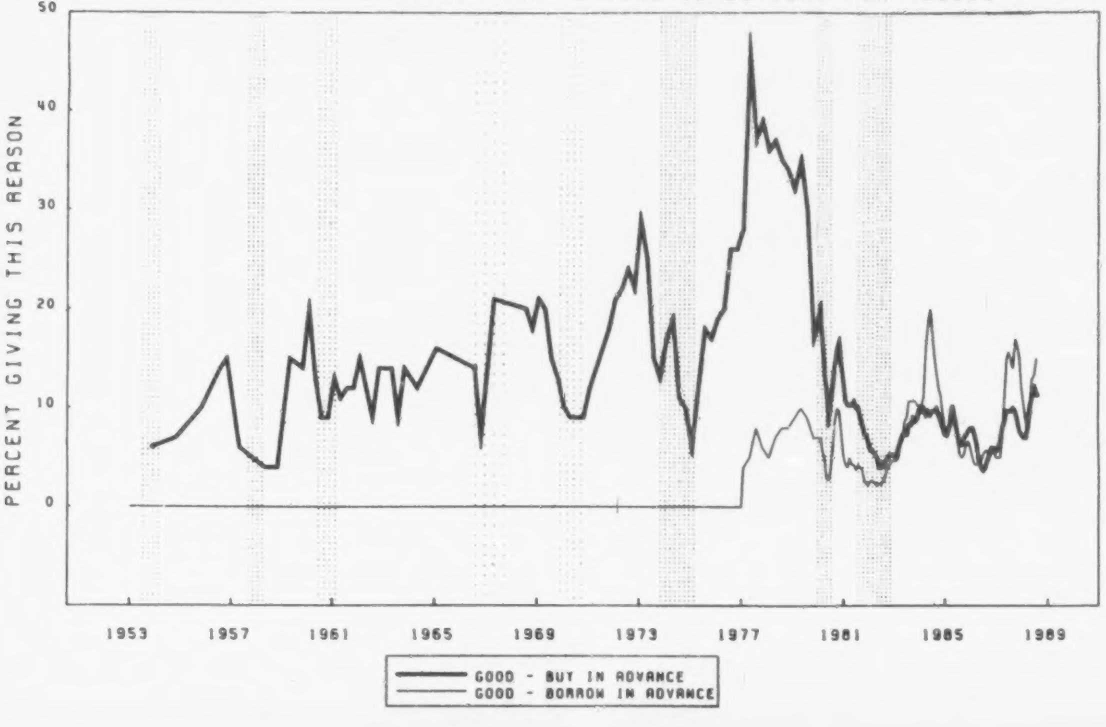


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	25%	19%	19%	16%	21%	24%	22%	27%	20%	16%	19%	24%	18%
Prices won't come down; are going higher	9	12	8	6	9	7	5	9	10	12	12	12	10
Interest rates low;	44	37	33	32	40	35	44	47	40	37	34	30	28
Borrow-in-advance rates	13	16	22	11	12	13	6	7	10	14	15	11	19
Good investment	7	7	6	7	9	7	4	6	7	10	6	7	9
Times are good; prosperity	2	5	3	3	3	3	4	4	4	5	5	6	5
BAD TIME TO BUY:													
Prices are high	13	13	11	11	10	11	13	11	10	10	11	13	13
Interest rates are high; credit is tight	10	13	18	19	13	13	15	9	10	12	10	11	14
Times are bad; can't afford to buy	5	6	7	5	7	10	7	8	8	6	4	4	4
Bad times ahead; uncertain future	3	3	4	13	7	5	4	3	4	3	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

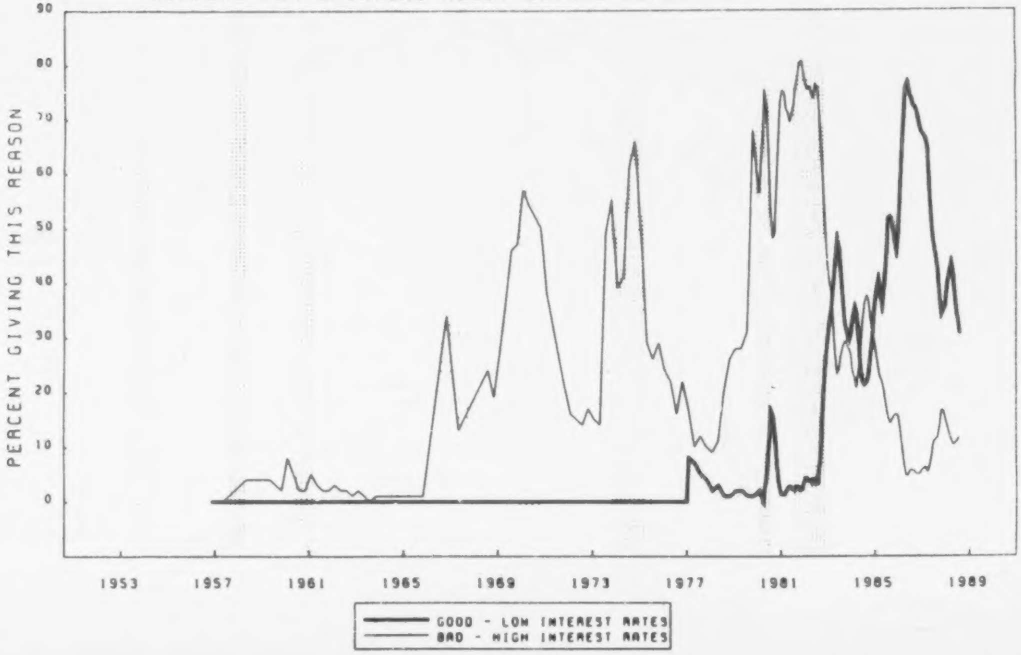


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

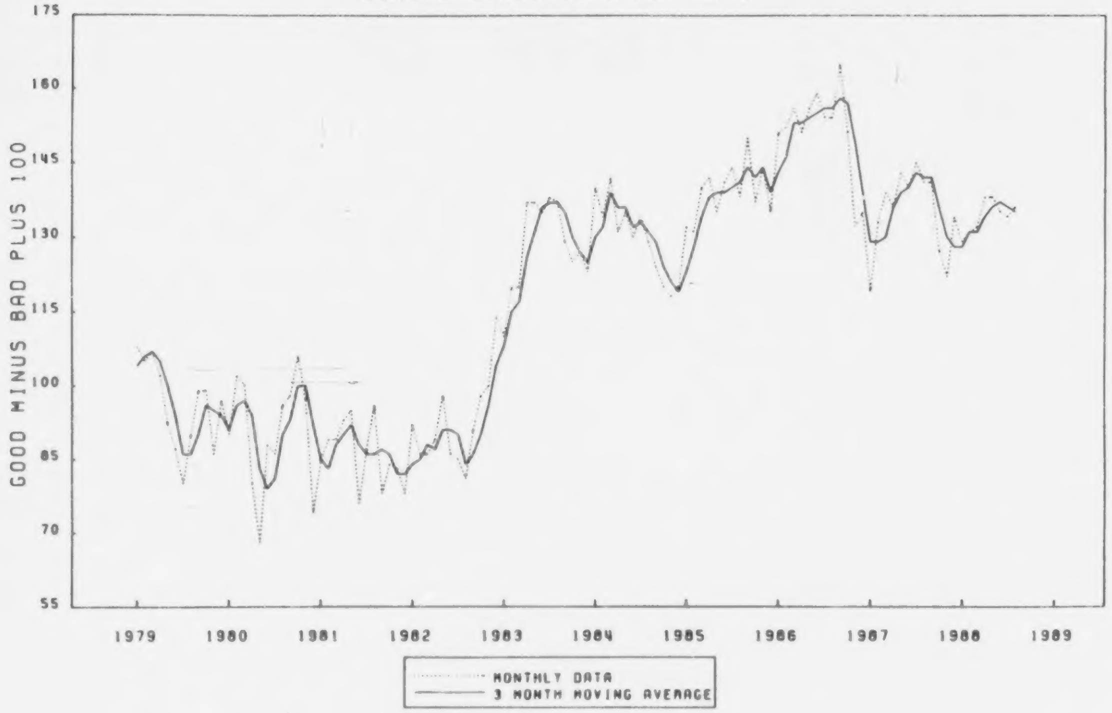


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

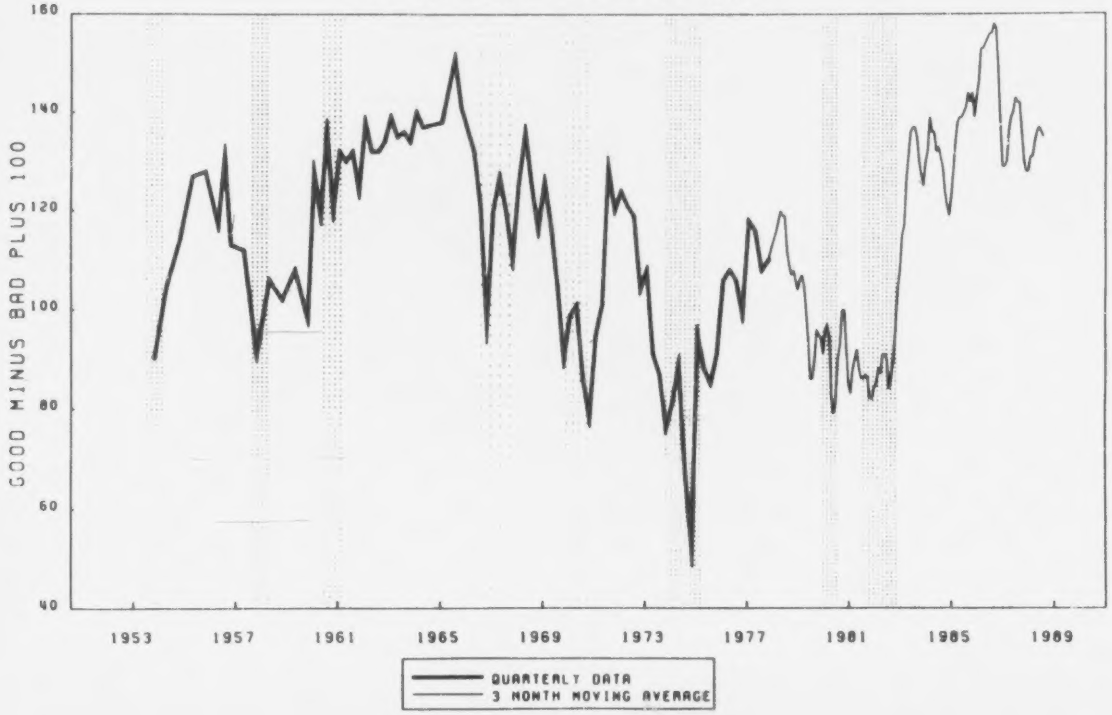


TABLE 25

BUYING CONDITIONS FOR CARS

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIME TO BUY	66%	66%	58%	57%	64%	59%	59%	62%	63%	64%	62%	62%	62%
UNCERTAIN; DEPENDS	9	9	11	8	6	11	13	8	12	10	11	10	12
BAD TIME TO BUY	25	25	31	35	30	30	28	30	25	26	27	28	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	654	650	500	501	500	502	500	500	504	500	500	501	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

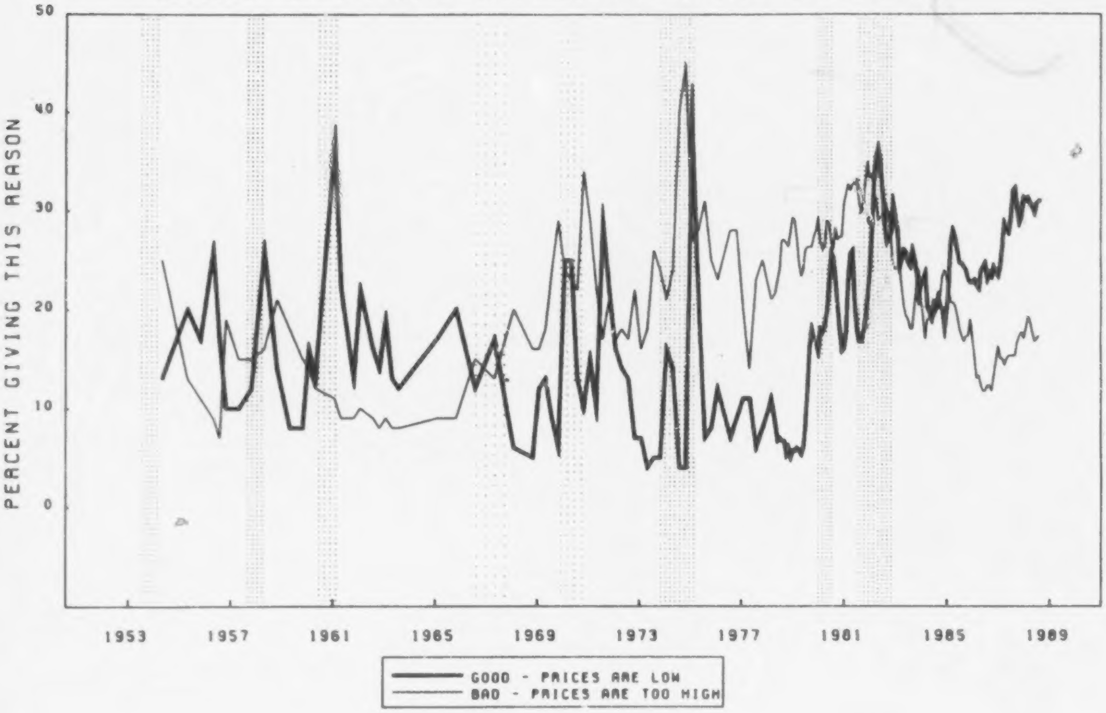


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

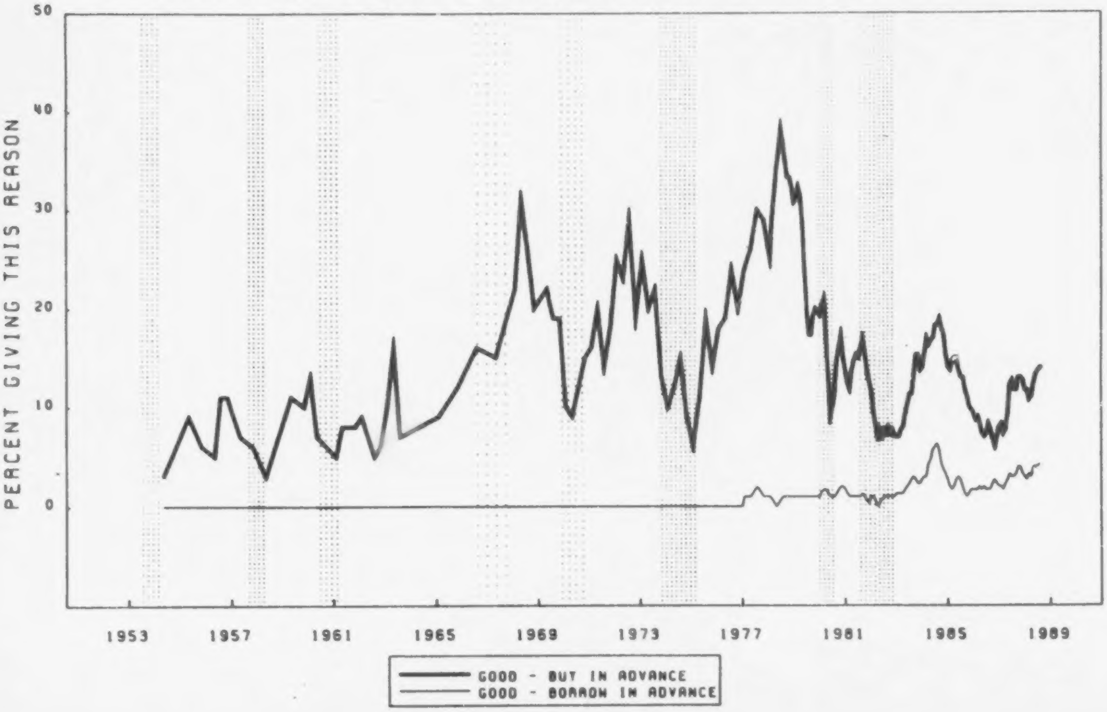


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	36%	29%	26%	31%	31%	32%	30%	32%	30%	29%	30%	33%	30%
Prices won't come down; are going higher	10	15	14	10	14	11	10	11	12	14	14	13	15
Interest rates low	35	36	22	21	21	20	20	20	21	17	16	14	16
Borrow-in-advance rates	3	4	5	3	2	4	2	4	3	5	4	3	6
Times are good; prosperity	2	2	4	2	2	3	3	4	3	4	3	5	4
BAD TIME TO BUY:													
Prices are high	15	16	19	17	17	17	20	21	15	17	18	16	18
Interest rates are high; credit is tight	5	4	7	10	9	5	8	6	6	6	4	6	6
Times are bad; can't afford to buy	3	3	3	4	4	5	4	3	5	3	1	3	4
Bad times ahead; uncertain future	*	1	3	9	4	3	2	2	2	2	2	2	2
Poor selection; quality	5	4	2	2	4	4	3	3	2	2	3	3	2

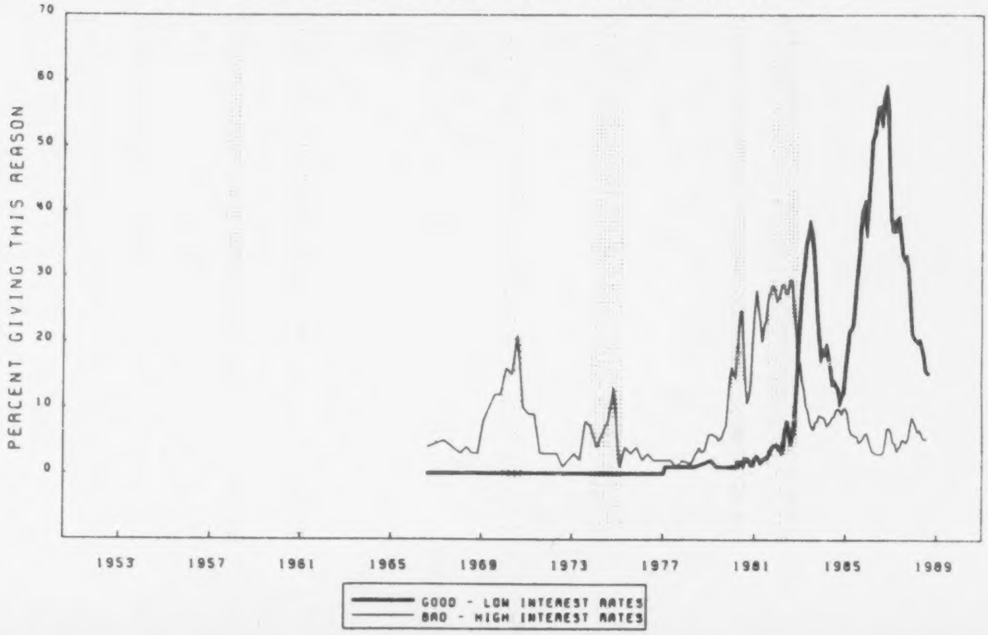
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

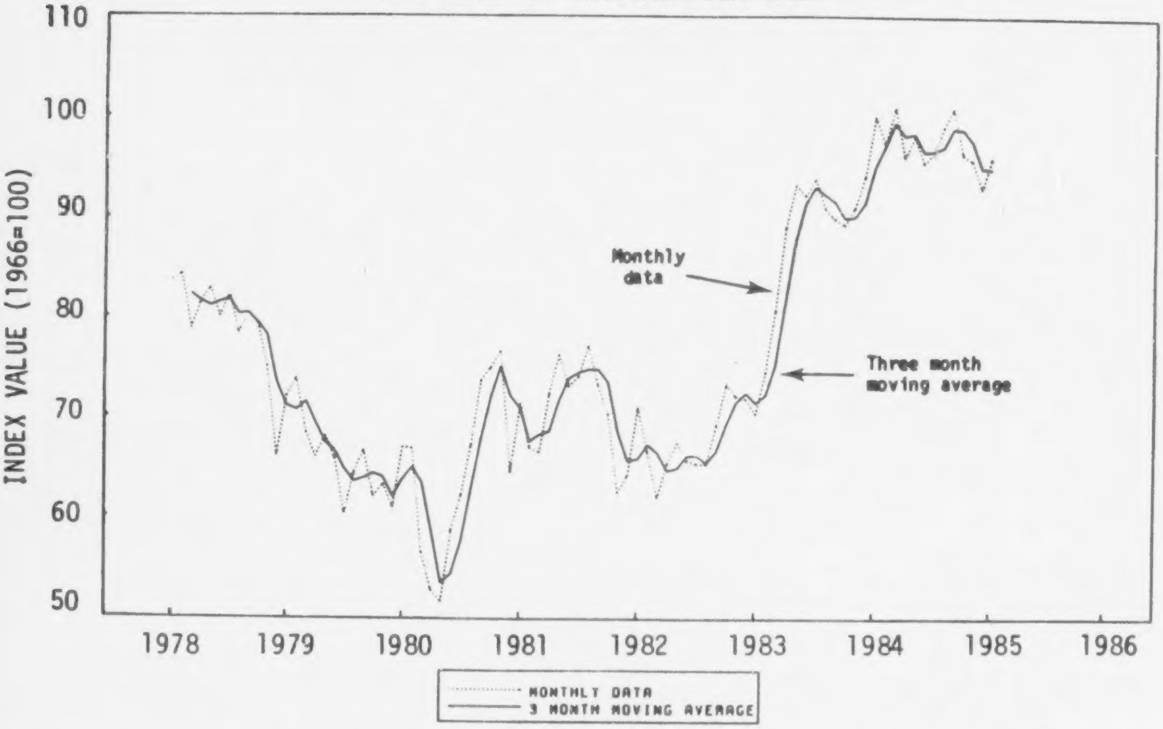
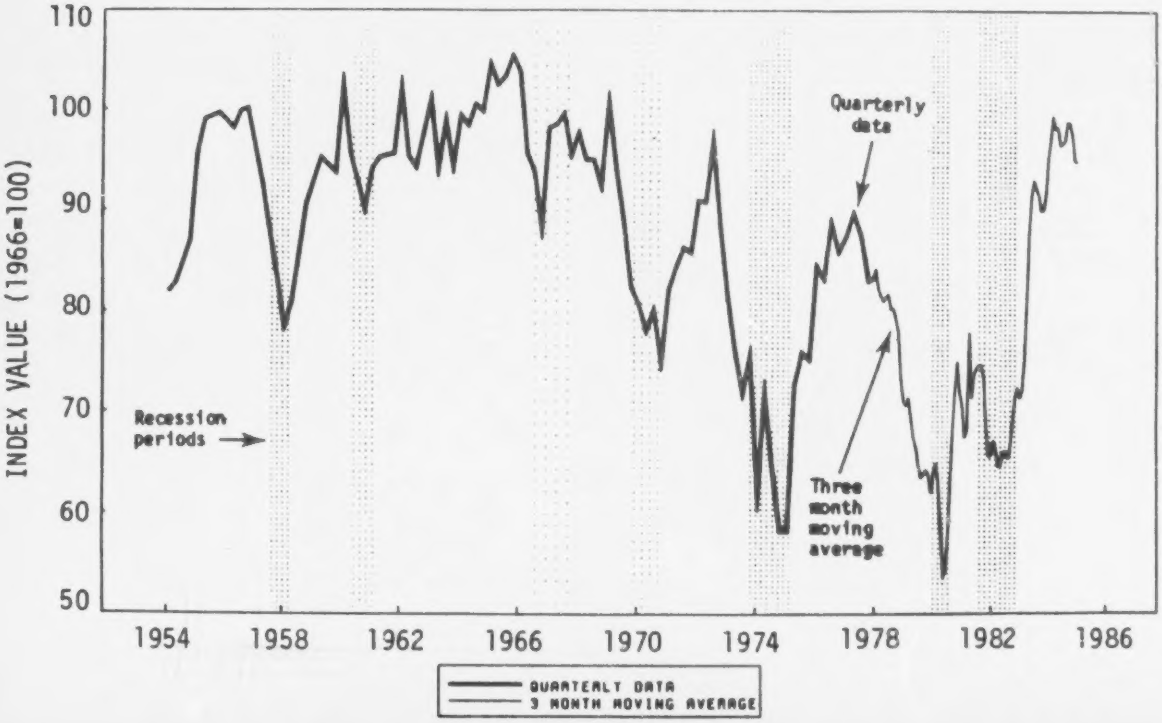


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

U7475-2

September 1988 Monthly Survey October 7, 1988

Surveys of Consumers

Richard T. Curtin, *Director*

Confidence Remains at High Level

Index Unchanged

The Index of Consumer Sentiment was 97.3 in the September 1988 survey, nearly identical with the 97.4 recorded in August, and above the 93.6 recorded in September 1987. Overall, consumer sentiment is now more favorable than anytime since mid 1986. Very favorable assessments of personal finances continue to underpin this renewed sense of confidence.

Among families with incomes of $40,000 or more, the Index rose slightly to 105.4 in September from 104.2 one month earlier and 104.3 one year earlier.

Personal Finances Remain at Record Levels

American families reported very favorable assessments of their own financial situation in the September 1988 survey. An improved financial situation was reported by 49 percent of all families in the September survey, just below the twenty year peak of 50 percent recorded in August, and above the 42 percent recorded one year earlier.

These favorable assessments continue to be based on widespread reports of increases in family incomes--reported by 40 percent of all families in September, up from 33 percent one year earlier.

Families also expressed quite favorable prospects for their financial situation during the year ahead. In the September 1988 survey, 41 percent of all families expected their financial situation to improve during the year ahead, up from 35 percent one year earlier and the highest proportion recorded since the start of the current expansion. Moreover, just 8 percent of all families expected a worsening financial situation during the year ahead.

The September 1988 survey, compared with a year earlier, recorded more families that expected their income to increase by 6% or more (32 versus 22 percent), and fewer families expected their incomes to remain unchanged or to decline during the year ahead (35 versus 41 percent). And despite the higher inflation expectations that now prevail, real income expectations were more positive in the September 1988 survey than anytime since 1986.

Price and Interest Rate Expectations Unchanged

Inflation and interest rate expectations remained largely unchanged in the September 1988 survey from the unfavorable levels recorded in prior months.

Consumers expected the annual inflation rate to average 5.5% in the September 1988 survey. Following the rapid increase recorded from March to June, when the expected inflation rate rose from 4.1% to 5.6%, price expectations have since then remained largely unchanged.

Interest rates were expected to increase during the year ahead by 67 percent of all families in the

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September 1988 survey, a level that has remained largely unchanged since the May survey, and is equal to the September 1987 reading.

Outlook for National Economy Remains Positive

Half of all families in the September 1988 survey thought that business conditions in the country as a whole had improved during the past year, up from 40 percent six months earlier, and equal to the year earlier pre-crash reading.

Improvement in the national economy during the year ahead was expected by 27 percent of all families in the September 1988 survey, up from 24 percent one month earlier and 21 percent one year earlier. Just 14 percent of all families in the September 1988 survey expected the national economy to worsen during the year ahead. The majority of consumers in September, as they have since the mid point of this long expansion, expected the performance of the economy to remain largely unchanged during the year ahead (55 percent).

The majority of consumers in the September 1988 survey expected the national unemployment rate to remain largely unchanged at its current low level during the year ahead (52 percent).

Prospects for the domestic economy over the longer term were also favorable. In both the August and September 1988 surveys, for the first time in almost four years, the proportion of families that expected good times financially over the next five years was slightly higher than the proportion that expected bad times financially (41 versus 39 percent in September).

Buying Attitudes Soften But Remain Favorable

Favorable attitudes toward home buying conditions were held by 70 percent of all families in the September 1988 survey, between the 67 percent recorded one month earlier and the 71 percent recorded one year earlier. The recent improvement in home buying attitudes has been due to the rising appeal of borrowing-in-advance of expected mortgage rate increases. During the past six months, the proportion of families that referred to the availability of low mortgage rates fell from 47 to 22 percent, while the proportion mentioning the appeal of borrowing-in-advance of rising rates rose to 21 from 7 percent.

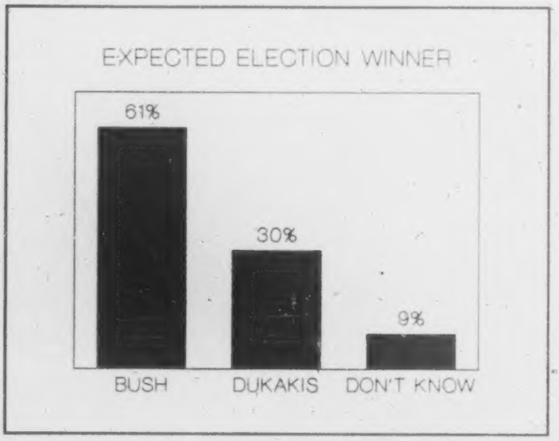
Favorable attitudes toward car buying conditions were held by 61 percent of all families in the September 1988 survey, just below the 62 percent recorded in each of the prior three months. Car buying attitudes are now somewhat less favorable than a year earlier, when 65 percent held favorable buying attitudes, largely due to changing perceptions of interest rates on vehicle loans. Just 14 percent of all families mentioned the availability of low and discounted interest rates on new vehicle loans in the September 1988 survey, down from 36 percent one year earlier.

Attitudes toward buying conditions for appliances, furniture, and home electronics remained at favorable levels. Among all families in the September 1988 survey, 71 percent held favorable views of buying conditions for household durables, down from 74 percent one month earlier and 75 percent one year earlier. The small recent decline was due to fewer references to the availability of low and discounted prices, falling to 33 percent in the September 1988 survey, from 36 percent one month earlier and 37 percent one year earlier.

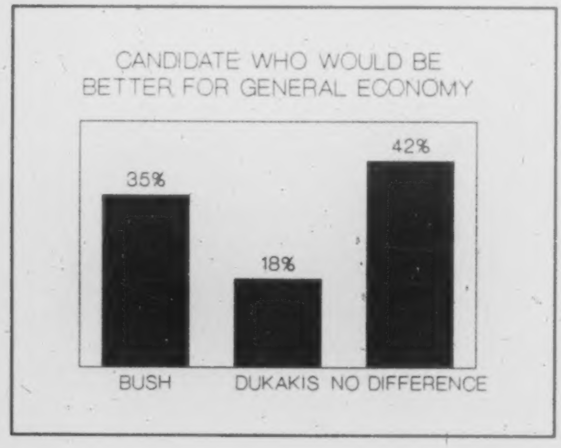
The Presidential Election and Consumer Sentiment

The September 1988 survey included several questions on the upcoming presidential election to help determine its impact on consumer attitudes and expectations. Rather than asking about which candidate the respondent preferred or intended to vote for, respondents were asked about who they expected to win the election. Of central interest was whether and how the expected election outcome would influence their economic expectations.

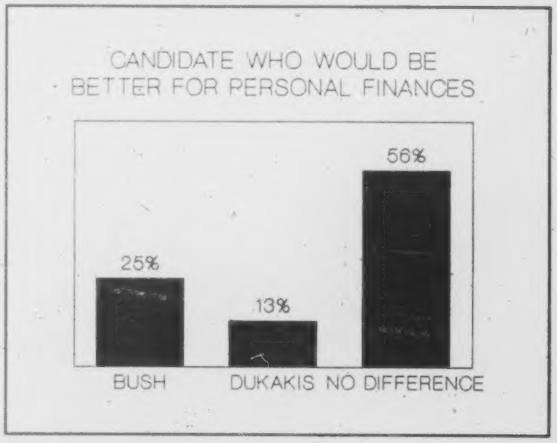
As shown in the chart below, the majority of consumers expected Bush to win the election (61 versus 30 percent).[1] Among those that expected a Bush victory, the Index of Consumer Sentiment was 101.6; among those that expected a Dukakis victory the Index was 92.9.



Respondents were also asked whether economic conditions in the country as a whole would be better if Bush or Dukakis were elected.[2] The most common response--reported by 42 percent of all respondents--was that it would not make much difference whether Bush or Dukakis were elected. Among the balance of respondents, however, nearly twice as many respondents thought that economic conditions would be better if Bush were elected as thought that economic conditions would be better if Dukakis were elected--35 versus 18 percent.



Respondents were also asked whether they thought their own personal financial situation over the next two years or so would be better if Bush or Dukakis were elected.[3] The majority of respondents (56 percent) thought that it would not make much difference to their own personal financial situation. Among those that did think the election outcome would influence their family's financial situation, nearly twice as many thought that their financial situation would benefit if Bush rather than Dukakis was elected--25 versus 13 percent.



These data suggest that the balance of opinion favors Bush on these economic issues, but that for most people the difference between the two candidates is small. And the data also suggest that a Bush victory in November has already been largely incorporated in consumers' current economic expectations. As a consequence, while a Bush victory can be expected to have little further impact on consumer expectations, a Dukakis victory may mean a greater realignment in expectations.

* * * * *

The September 1988 survey included 500 completed interviews conducted between September 6 and September 30, 1988.

1. The question was: "The next several questions are about the upcoming election. Who do you think will be elected President in November--Bush or Dukakis?"

2. The question was: "Looking ahead to the next two years or so, do you think economic conditions in the country as a whole would be better if Bush were elected, or would economic conditions be better if Dukakis were elected, or wouldn't it make much difference?"

3. The question was: "Now thinking about your (family's) financial situation over the next two years or so, do you think you (and your family living there) would be better off financially if Bush were elected, or would you be better off financially if Dukakis were elected, or wouldn't it make much difference?"

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SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

SEPTEMBER 1988

The September 1988 survey was the 242th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

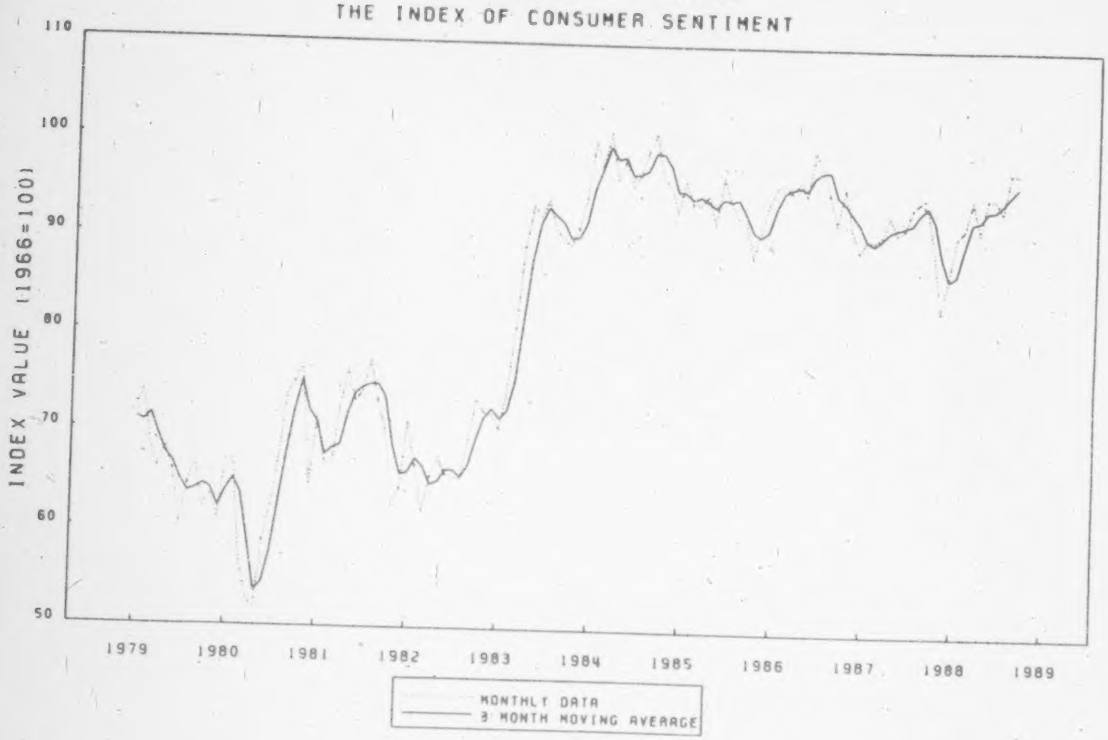


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

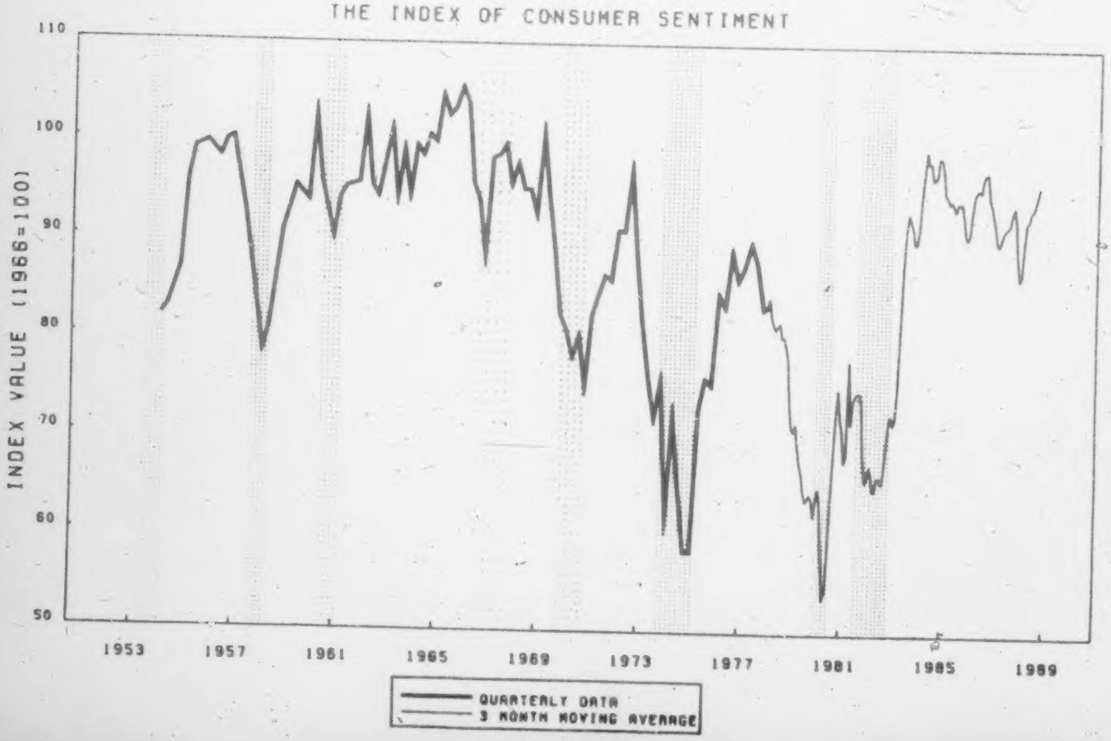


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

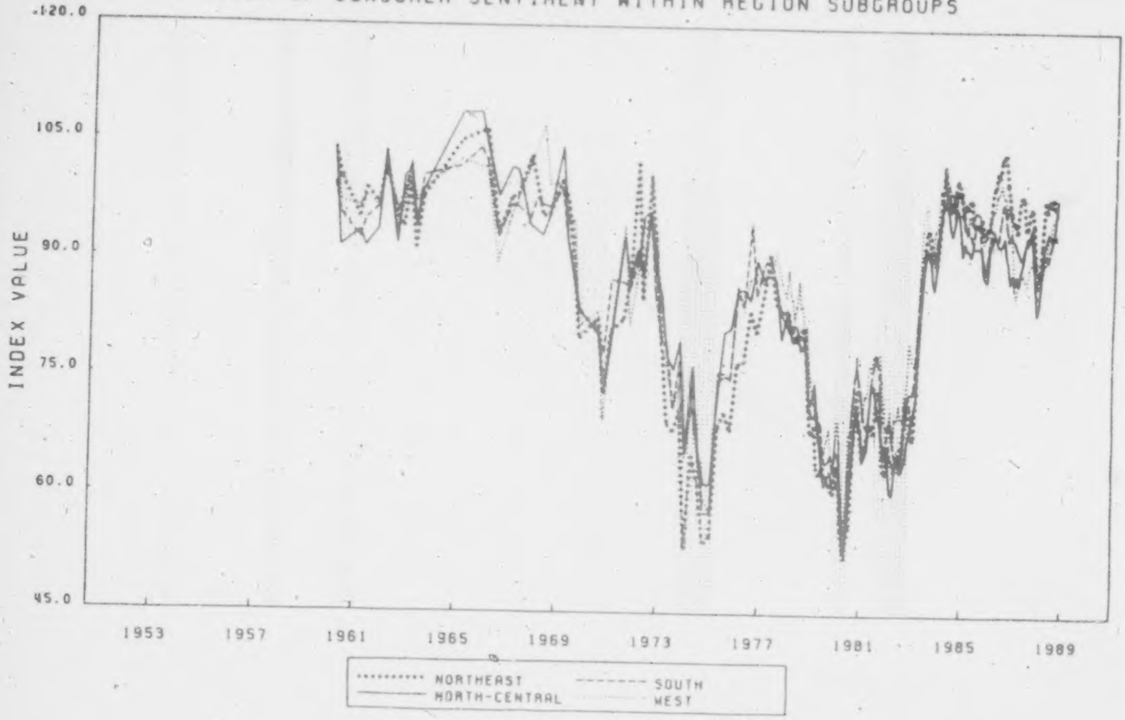


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

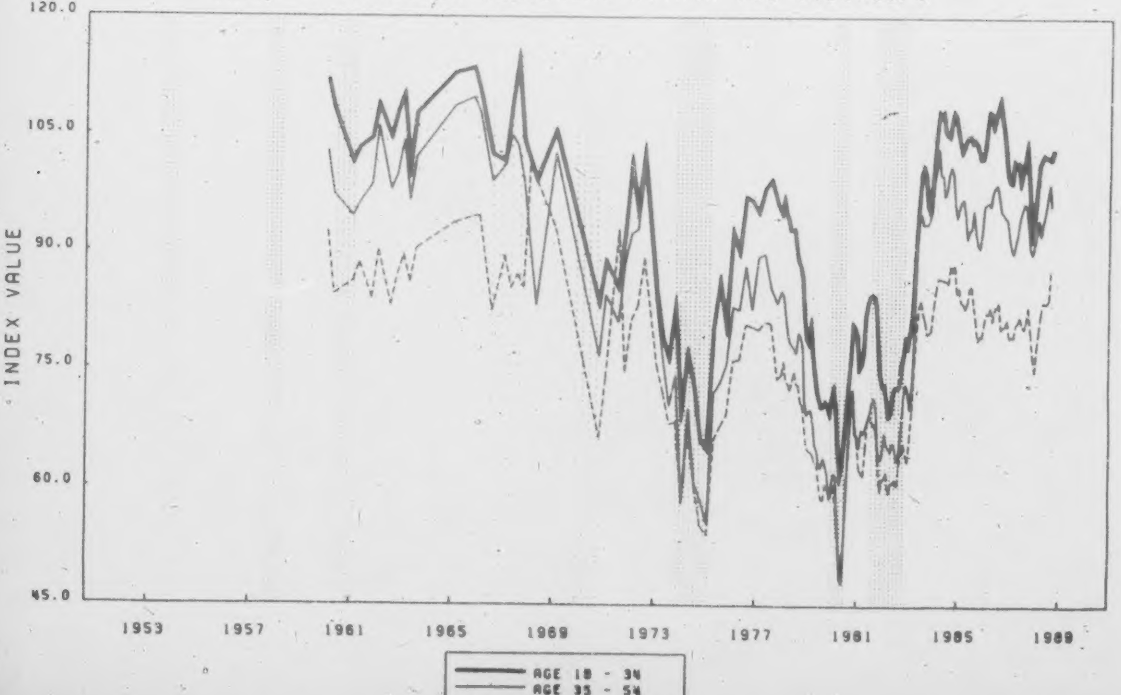


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
September 1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October 1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.3
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

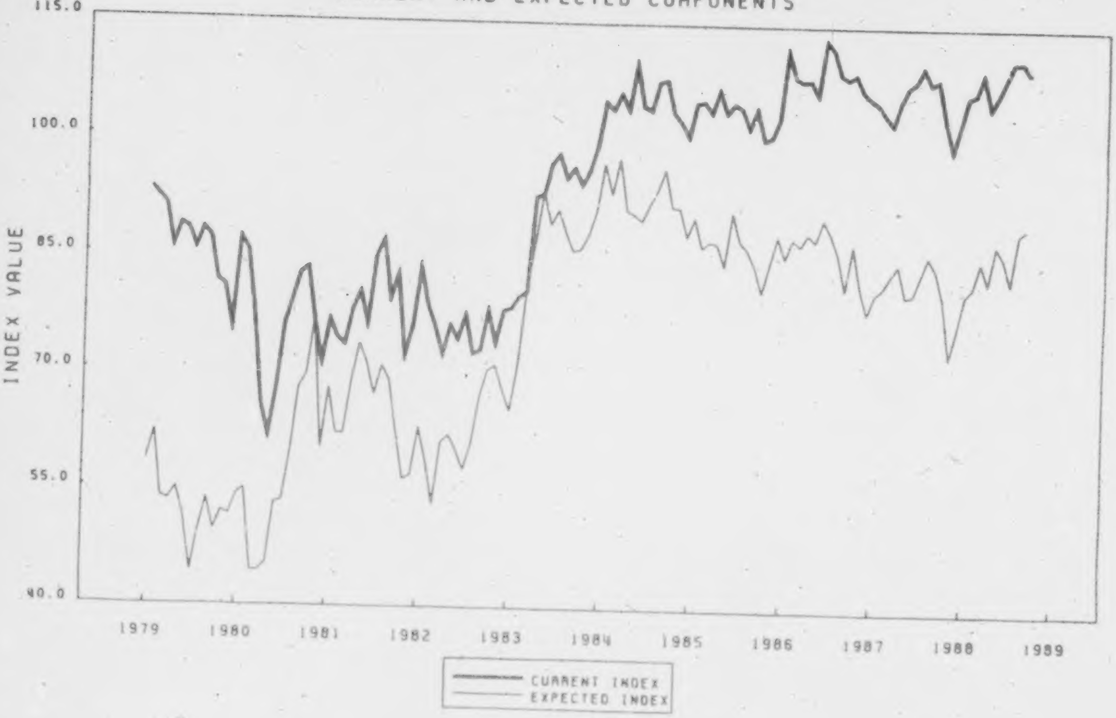


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

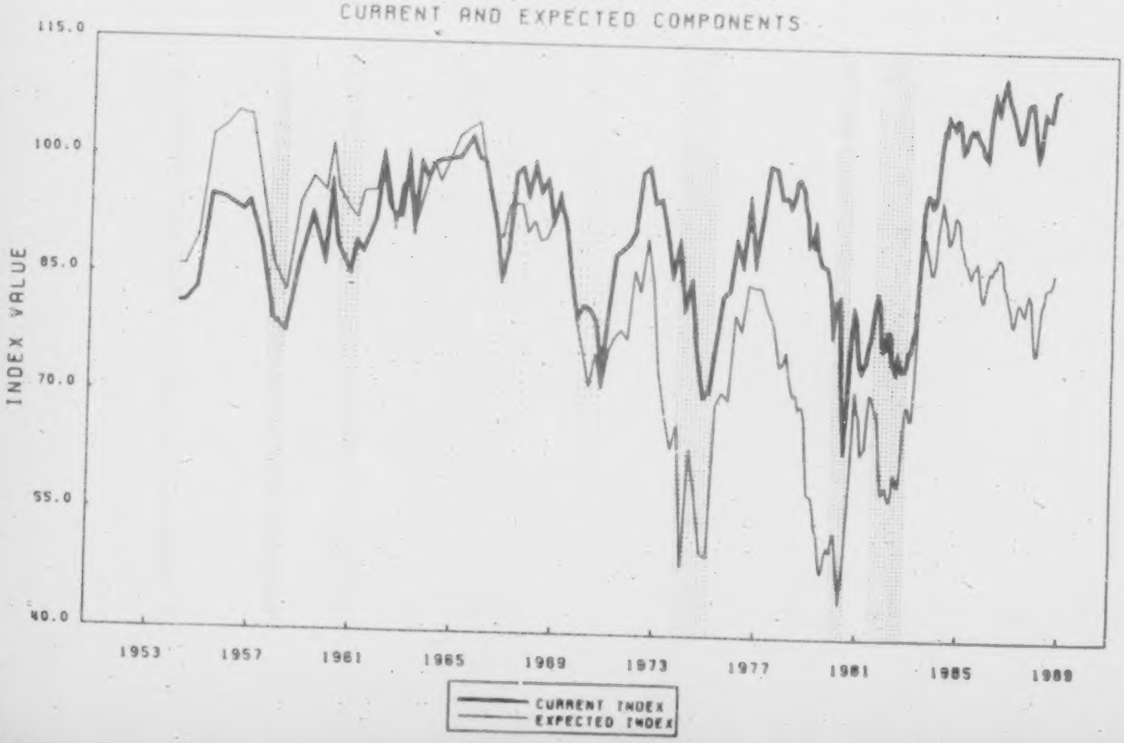


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

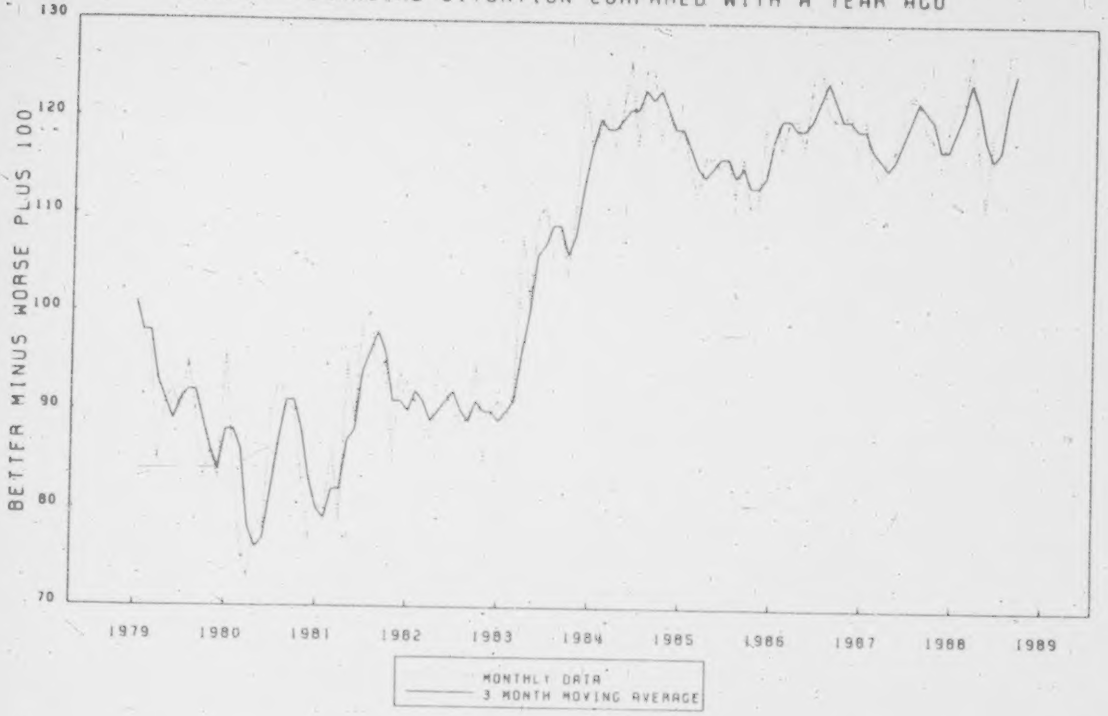


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

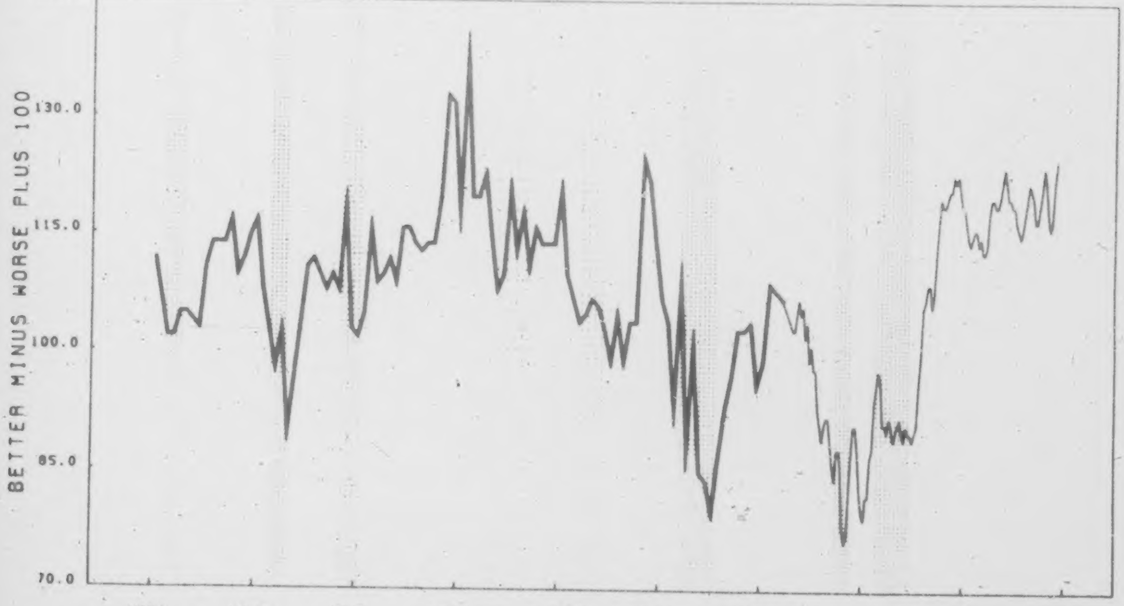


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
BETTER OFF	42%	43%	42%	43%	46%	47%	49%	41%	40%	43%	45%	50%	49%
SAME	34	32	31	33	29	27	29	34	31	32	29	26	28
WORSE OFF	23	25	27	24	24	25	22	24	29	24	25	23	22
DK,NA	1	*	*	*	1	1	*	1	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

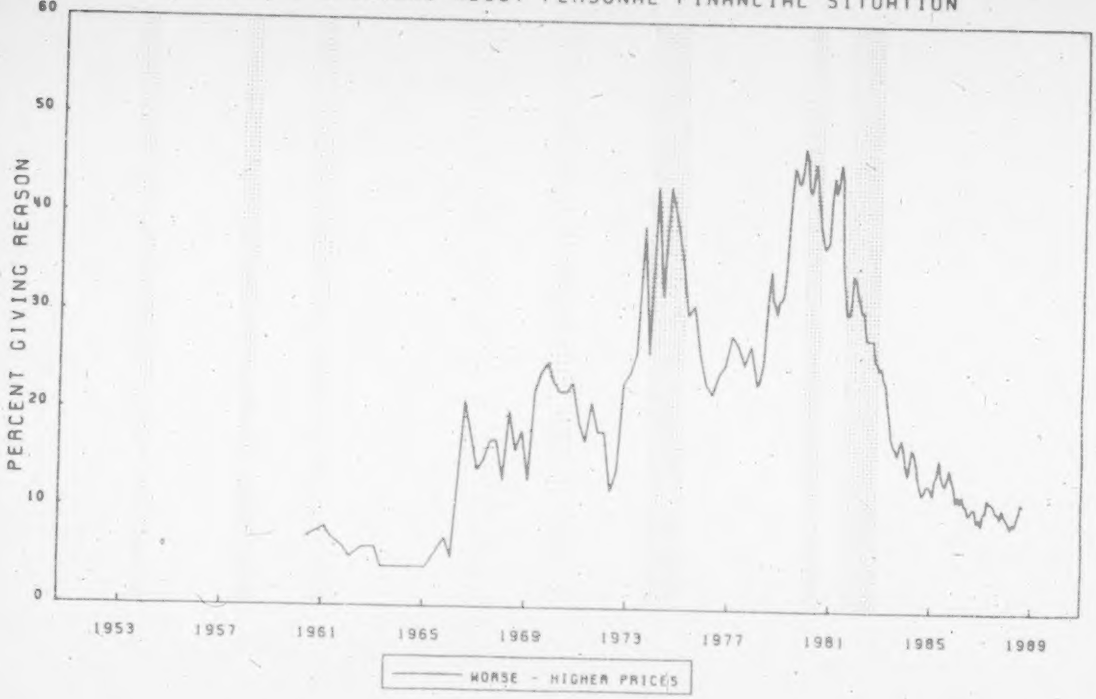


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

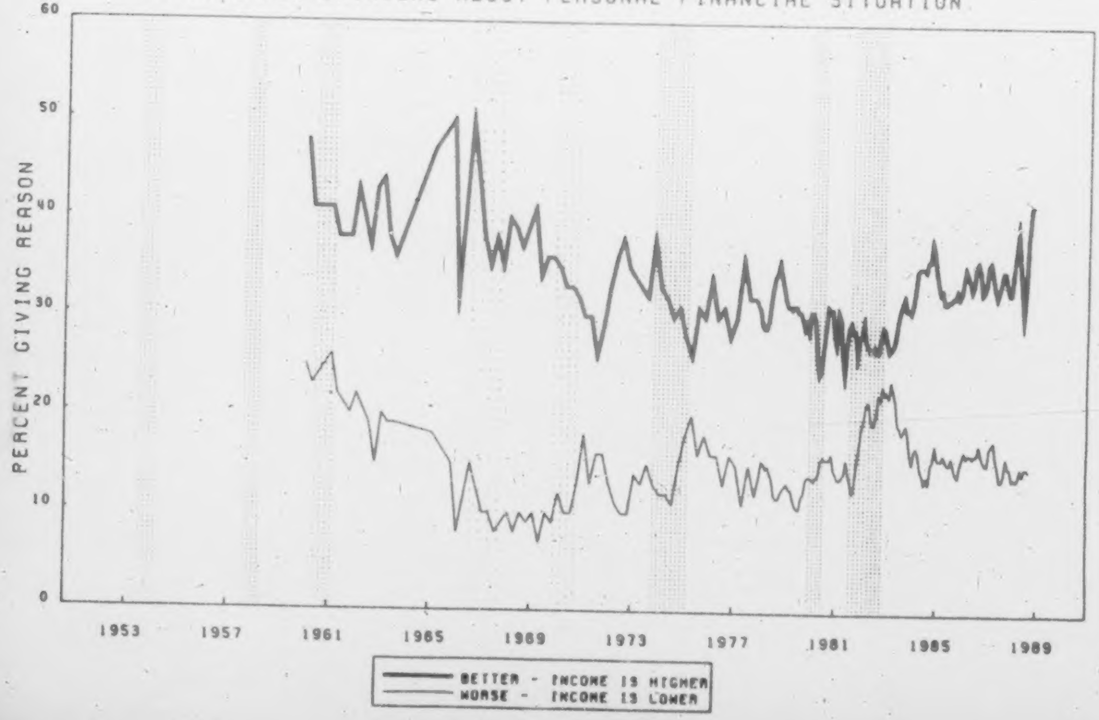


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	32%	33%	33%	39%	39%	40%	30%	29%	32%	40%	45%	40%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	17	12	16	13	13	15	14	16	13	16	16	12
Higher prices	12	8	12	10	7	11	8	9	10	10	11	13	9

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

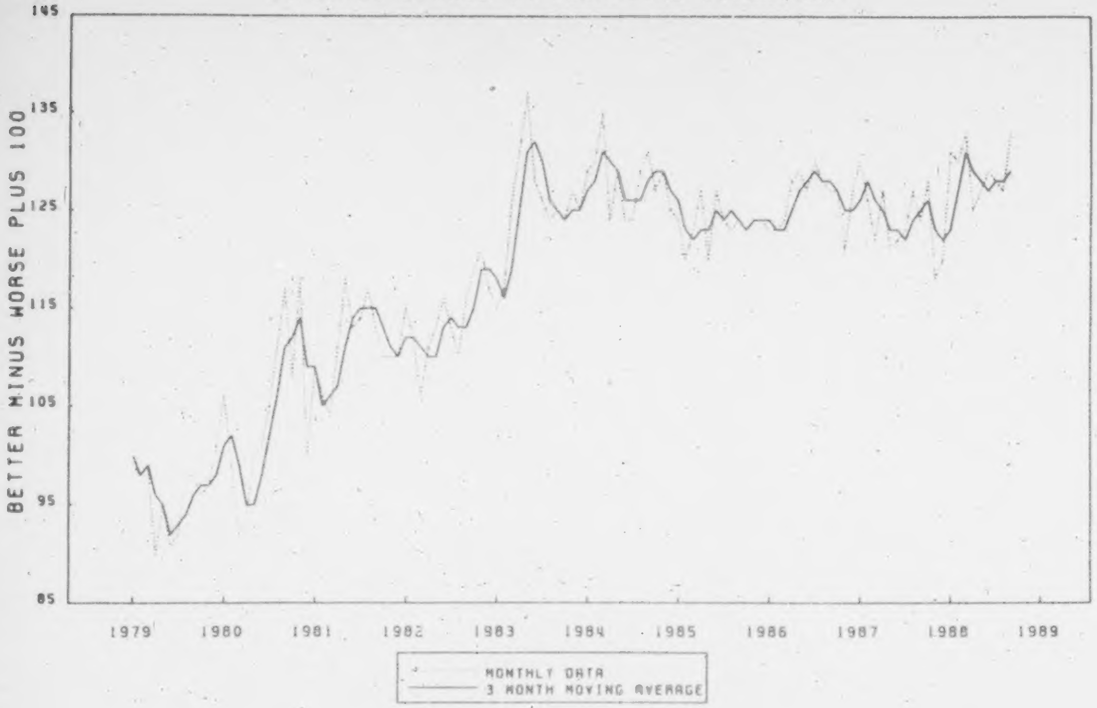


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

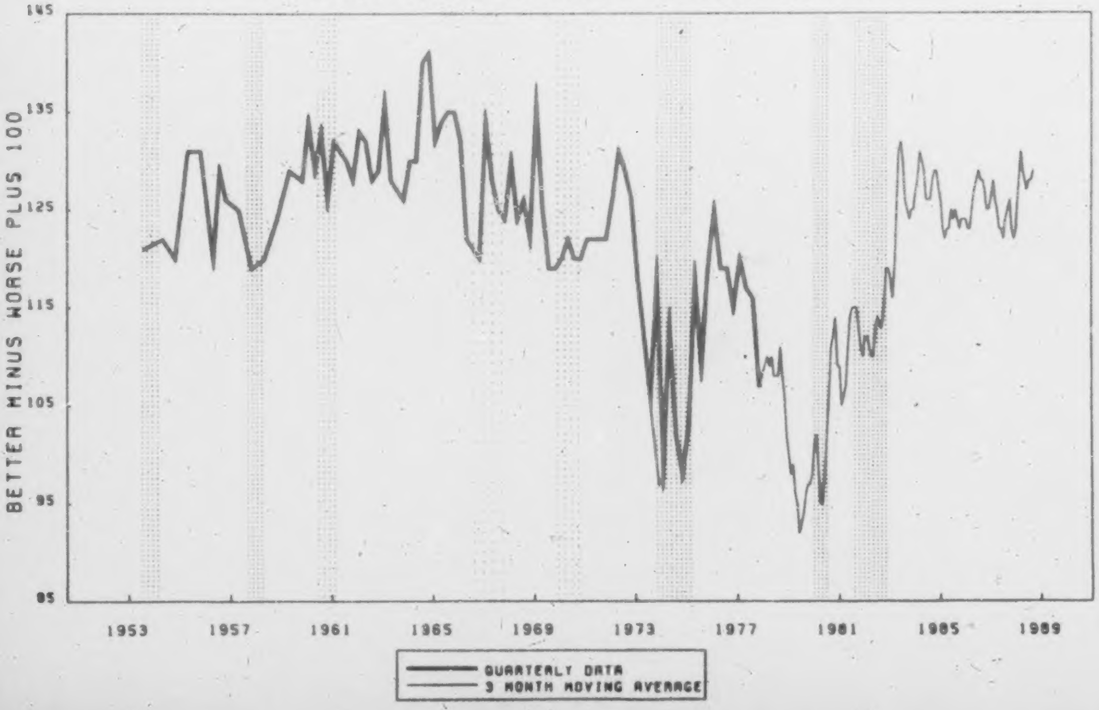


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
BETTER OFF	35%	37%	33%	32%	38%	39%	39%	34%	36%	39%	38%	36%	41%
SAME	49	51	49	51	53	48	52	54	52	48	48	49	47
WORSE OFF	11	9	15	12	7	9	6	9	9	10	10	9	8
DK,NA	5	3	3	5	2	4	3	3	3	3	4	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

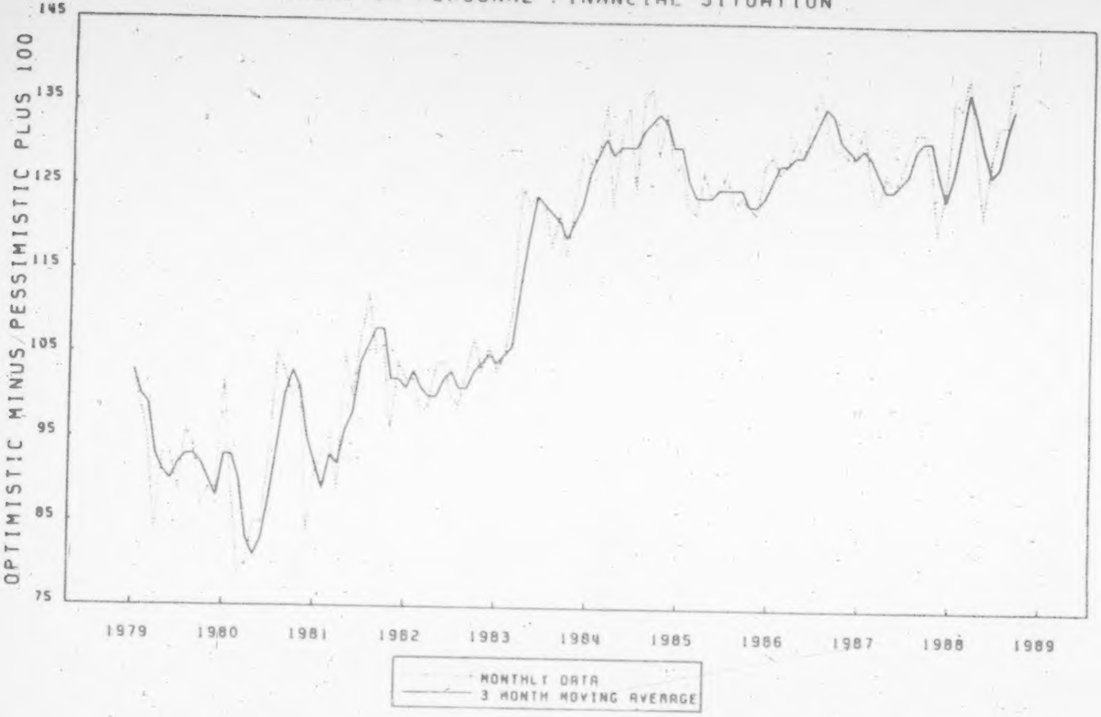


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

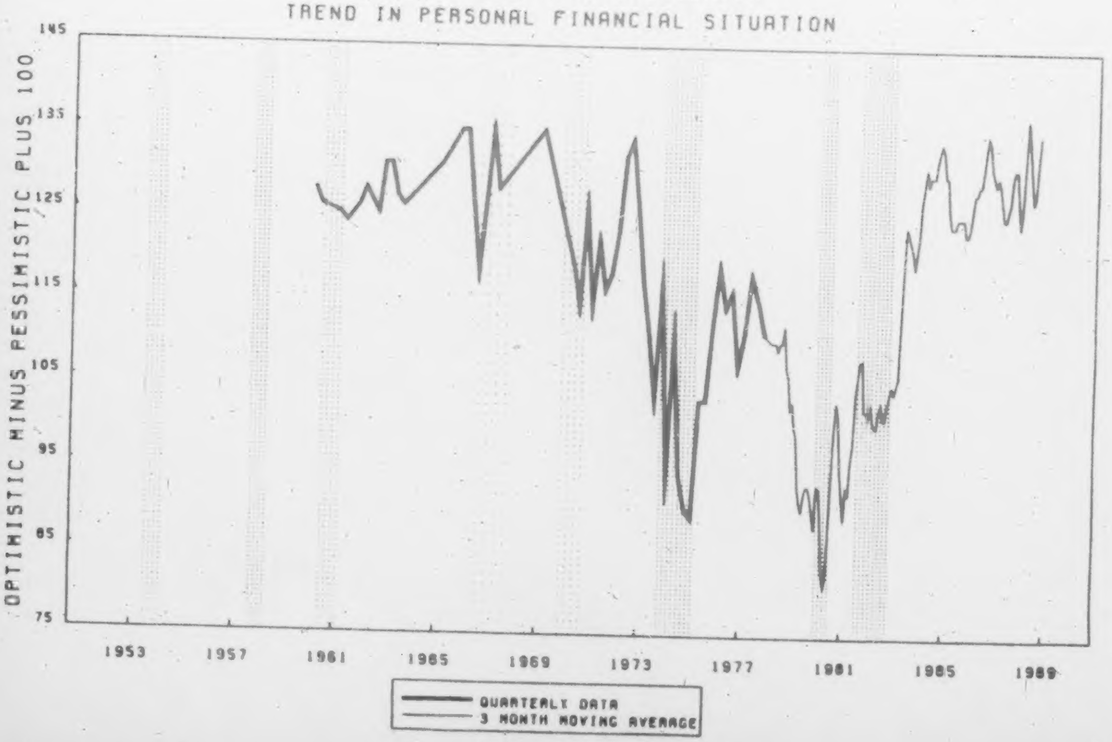


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	18%	23%	19%	17%	21%	20%	25%	18%	19%	24%	19%	25%	25%
Intermittant increase (b)	31	24	25	27	31	31	30	30	24	25	31	26	28
Remain unchanged (c)	19	21	18	19	19	15	17	20	21	19	16	16	17
Intermittant decline (d)	12	15	18	17	13	13	13	16	17	16	13	14	10
Continuous decline (e)	5	4	6	2	3	3	3	3	4	4	4	4	3
Mixed change (f)	10	10	11	13	11	13	9	9	13	9	13	8	12
DK,NA	5	3	3	5	2	5	3	4	2	3	4	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

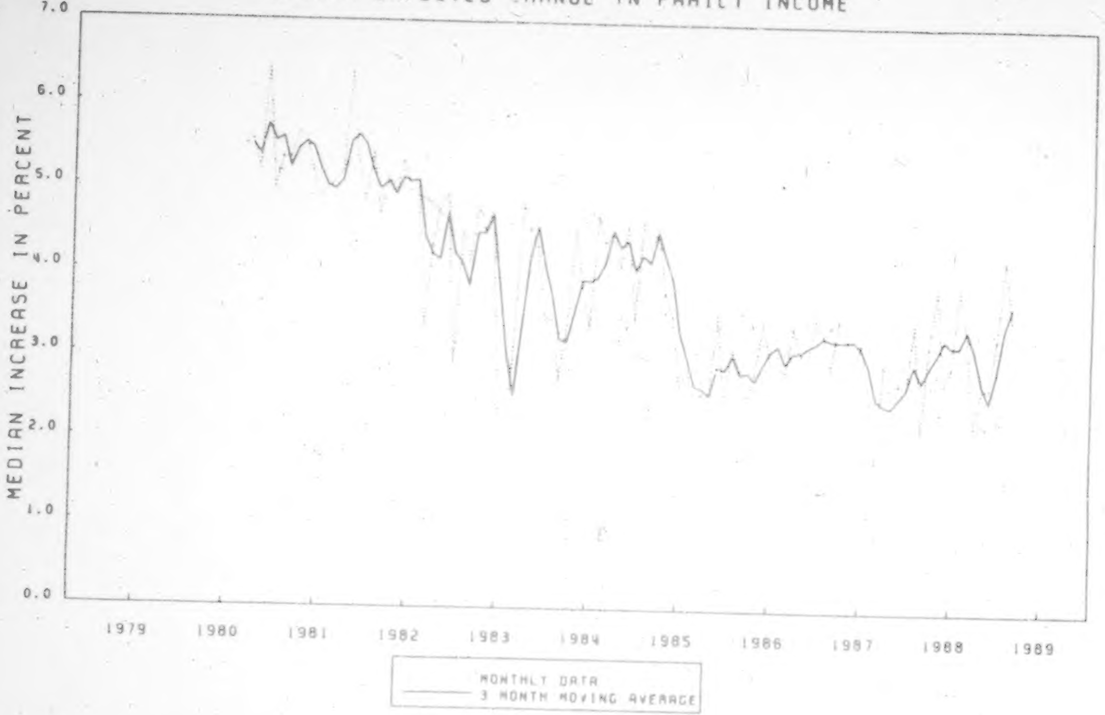


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

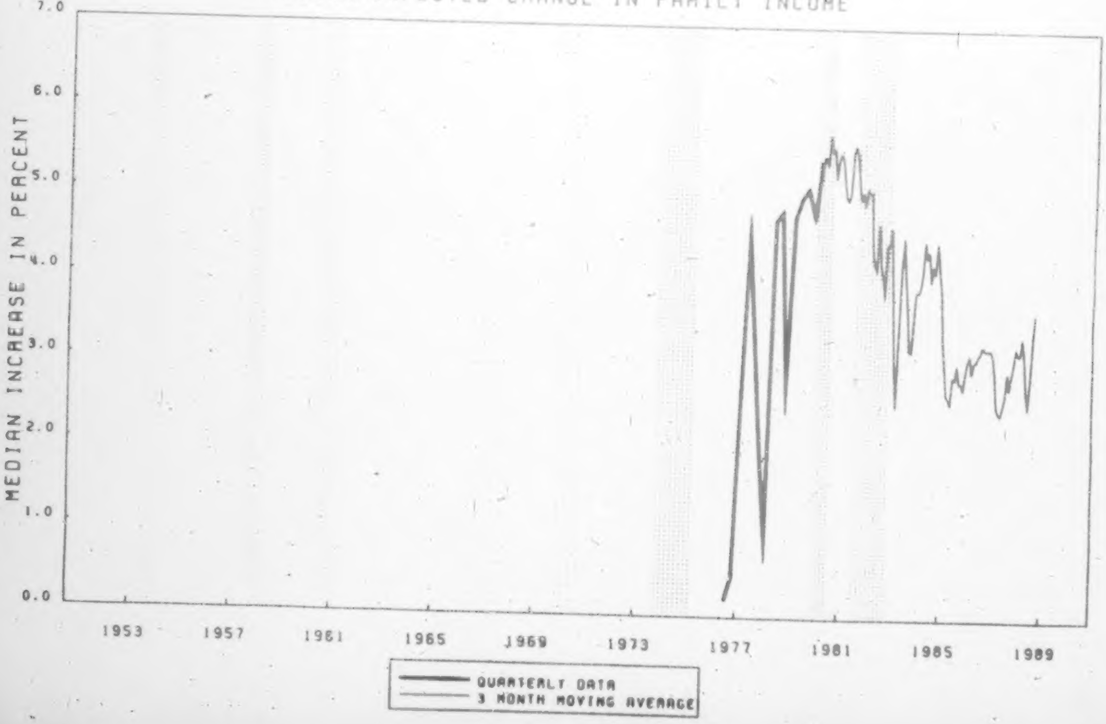


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
EXPECT INCREASE:													
1-4%	17%	15%	18%	19%	18%	16%	16%	16%	15%	15%	18%	14%	16%
5%	13	10	11	10	12	15	11	9	12	9	10	14	10
6-9%	6	9	8	8	7	8	7	6	7	7	10	9	8
10-24%	10	15	18	14	15	17	17	14	13	15	14	17	16
25% or more	6	5	7	4	6	5	7	6	9	6	7	5	8
DK how much up	5	6	2	3	4	2	2	6	2	5	5	6	6
EXPECT SAME	30	25	21	23	27	23	29	30	28	28	24	25	25
EXPECT DOWN	11	13	13	19	10	12	9	12	13	13	11	9	10
DK,NA	2	2	2	*	1	2	2	1	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

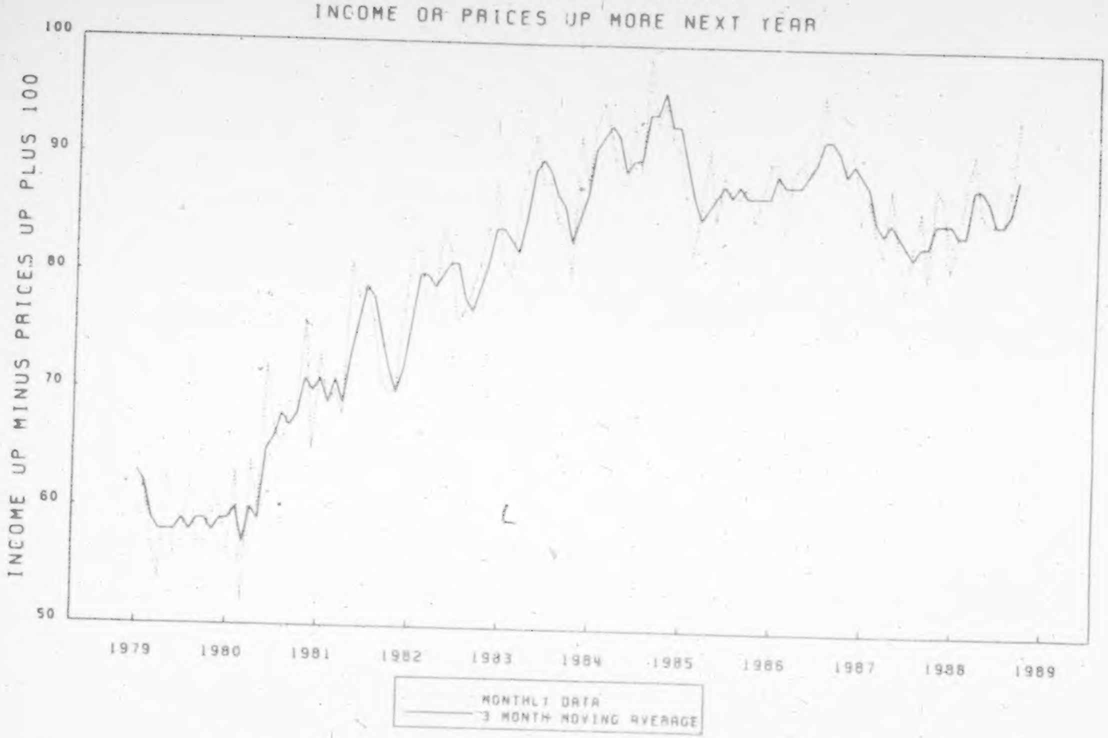


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

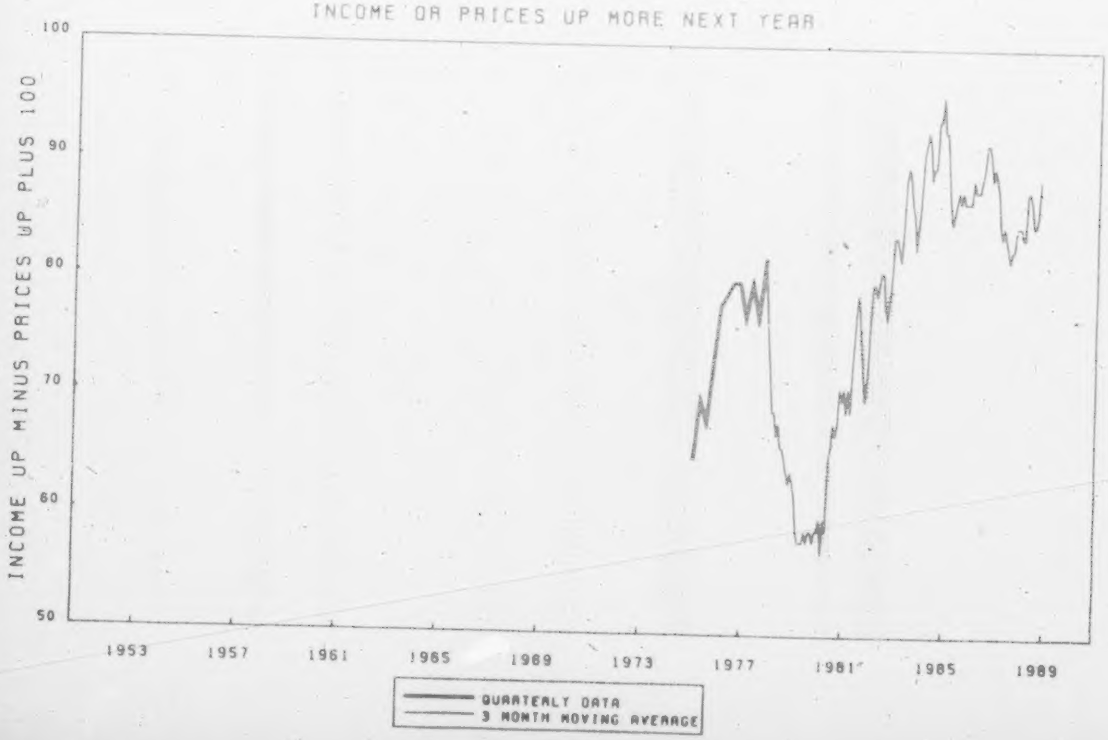


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
INCOME UP MORE	18%	20%	22%	19%	19%	20%	22%	19%	19%	18%	19%	20%	25%
INCOME UP SAME	42	45	43	41	44	45	44	47	44	46	46	43	41
PRICES UP MORE	38	32	35	38	35	32	31	33	34	33	34	32	31
DK,NA	2	3	*	2	2	3	3	1	3	3	1	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

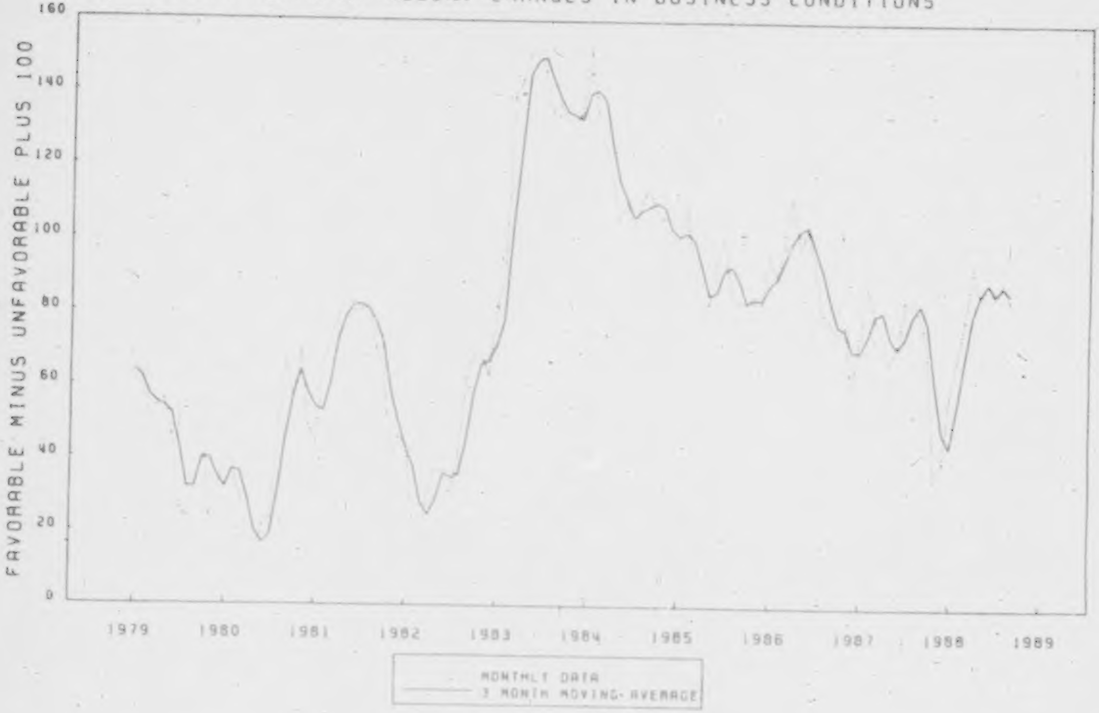


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

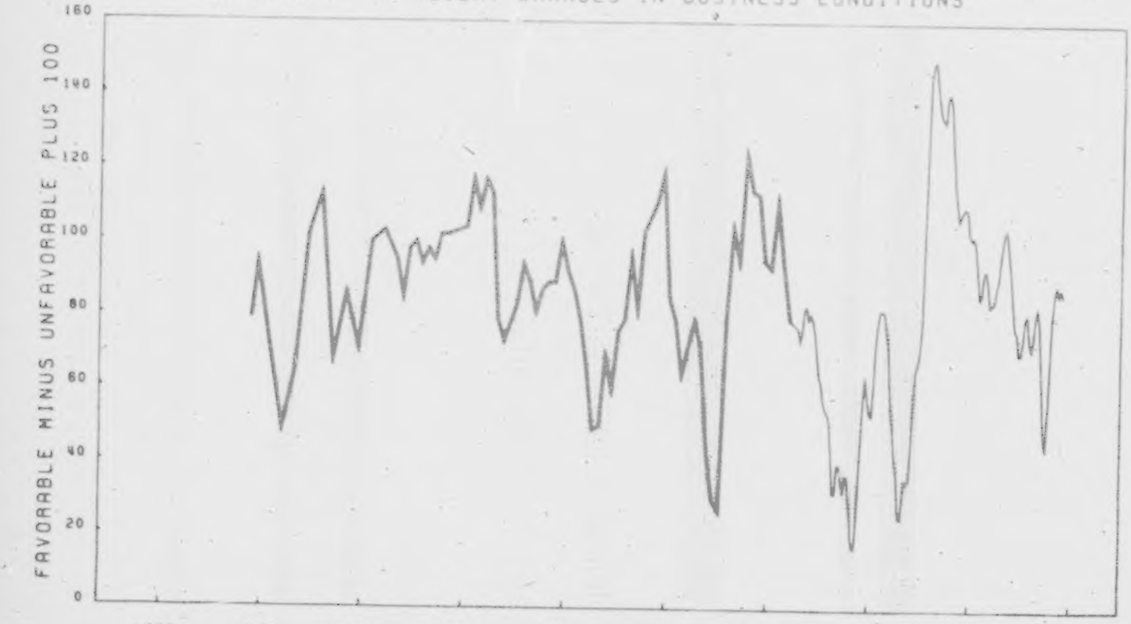


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
FAVORABLE NEWS	24%	25%	18%	18%	23%	26%	29%	30%	33%	29%	29%	28%	32%
UNFAVORABLE NEWS	44	54	83	79	65	58	50	37	48	40	44	39	48
NO MENTIONS	53	47	32	36	41	42	45	51	44	50	50	53	46

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

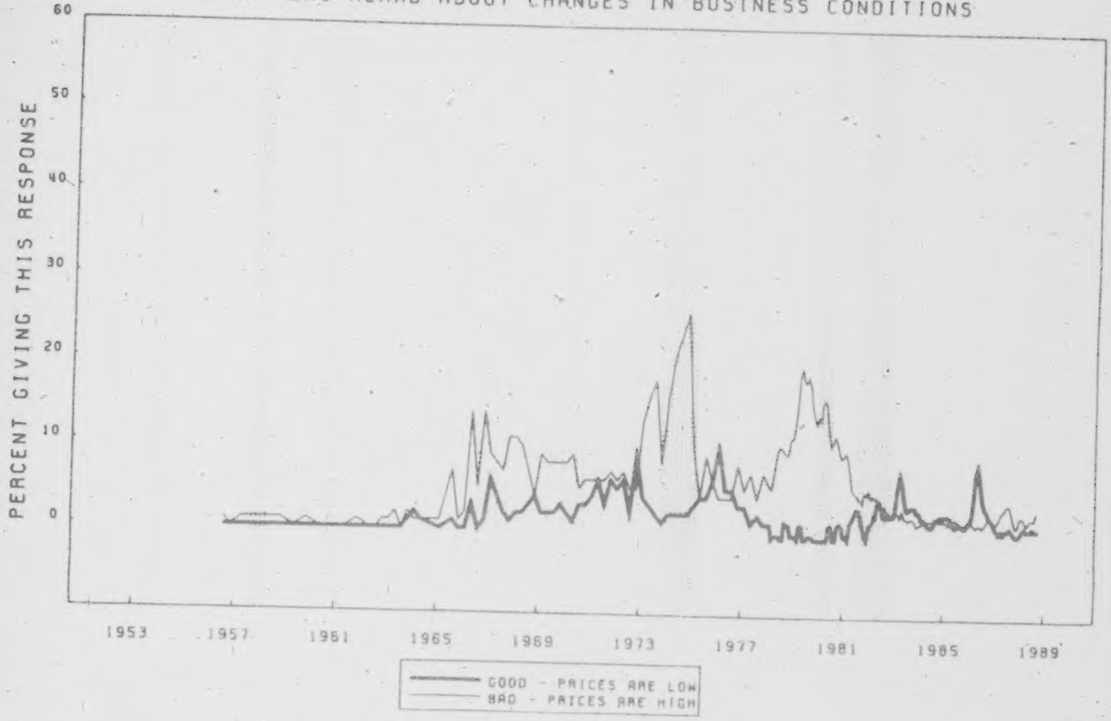


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

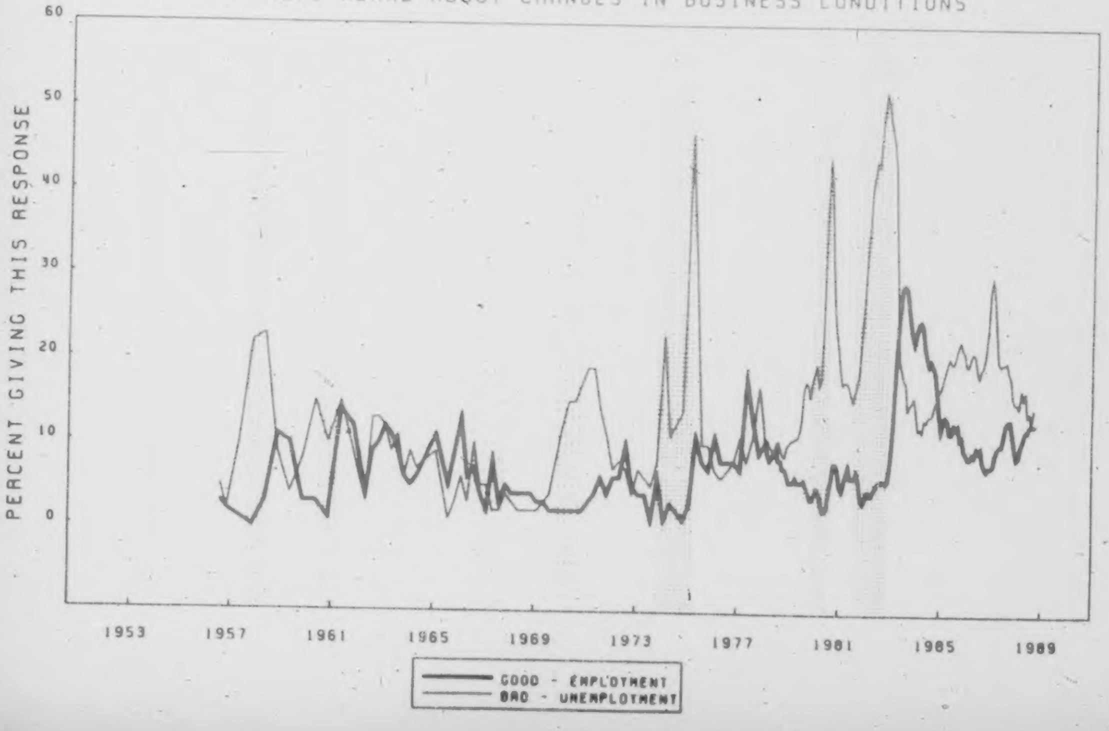


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
FAVORABLE NEWS:													
Government; elections	1%	*	*	1%	1%	1%	1%	2%	3%	2%	1%	2%	3%
Employment	12	13	10	7	9	11	11	11	14	11	13	14	11
Higher consumer demand	*	1	1	1	2	1	2	1	3	1	3	2	2
Lower prices	*	*	*	*	1	1	1	*	1	1	1	*	1
Easier credit	1	1	1	2	1	4	2	2	2	1	1	1	1
Stock market	2	3	2	1	*	1	2	3	2	3	3	1	2
Trade deficit	1	1	1	1	3	2	3	2	1	2	1	1	3
UNFAVORABLE NEWS:													
Government; elections	3	5	6	6	6	6	3	5	5	6	4	3	3
Unemployment	17	16	15	15	16	13	22	12	16	13	14	12	18
Lower consumer demand	1	3	5	4	4	3	1	3	3	2	2	3	3
Higher prices	1	1	1	2	4	1	1	2	2	2	2	2	5
Tighter credit	5	6	5	3	1	2	1	1	4	3	3	7	6
Stock market	2	11	38	32	21	18	10	7	7	6	5	3	2
Trade deficit	3	4	4	7	6	4	3	3	4	3	1	2	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

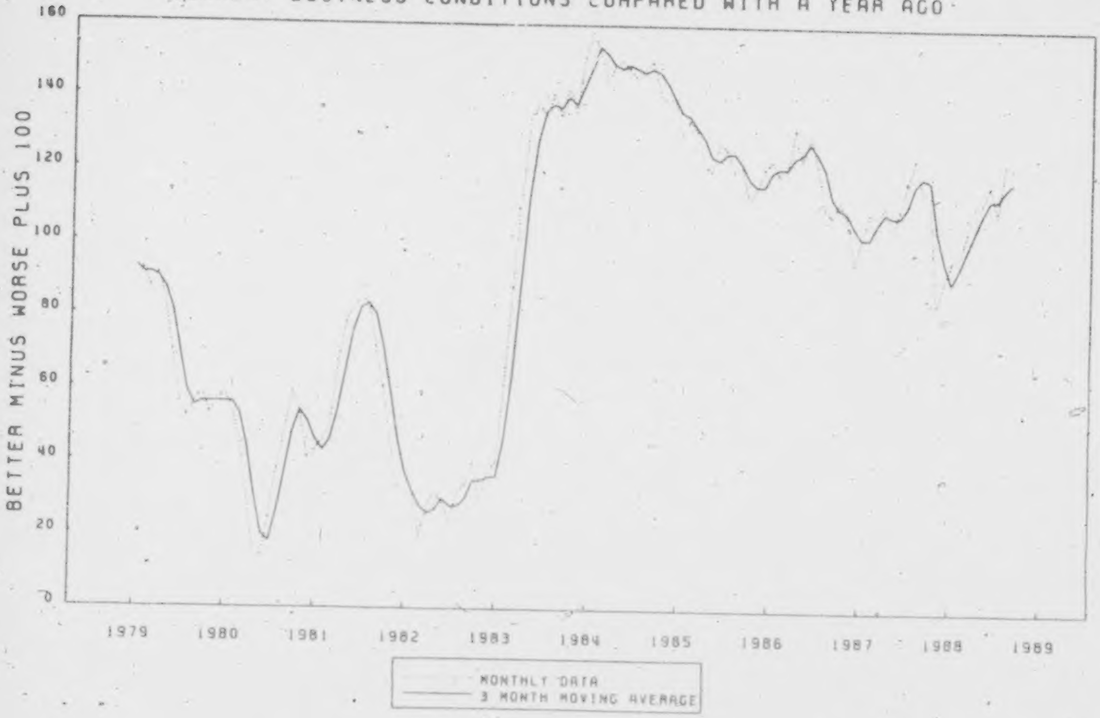


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

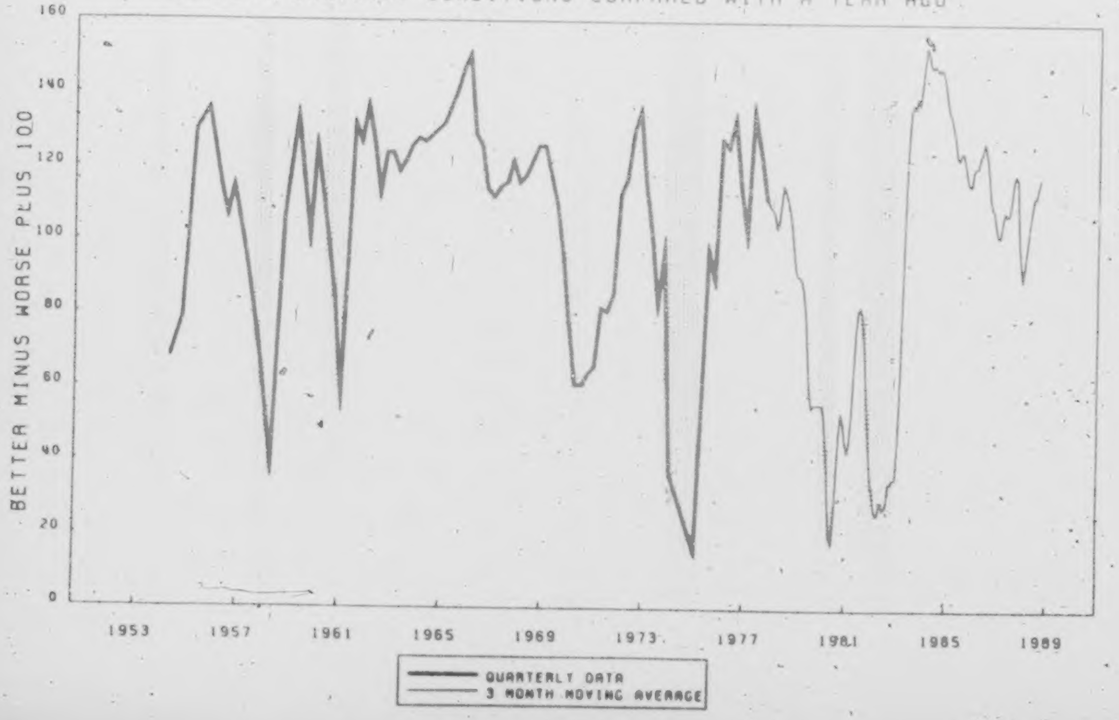


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
BETTER NOW	49%	49%	33%	36%	40%	41%	40%	47%	47%	47%	45%	51%	50%
SAME	14	14	16	15	14	13	21	14	17	21	15	18	20
WORSE NOW	34	35	50	46	44	44	36	36	35	30	36	28	28
DK,NA	3	2	1	3	2	2	3	3	1	2	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

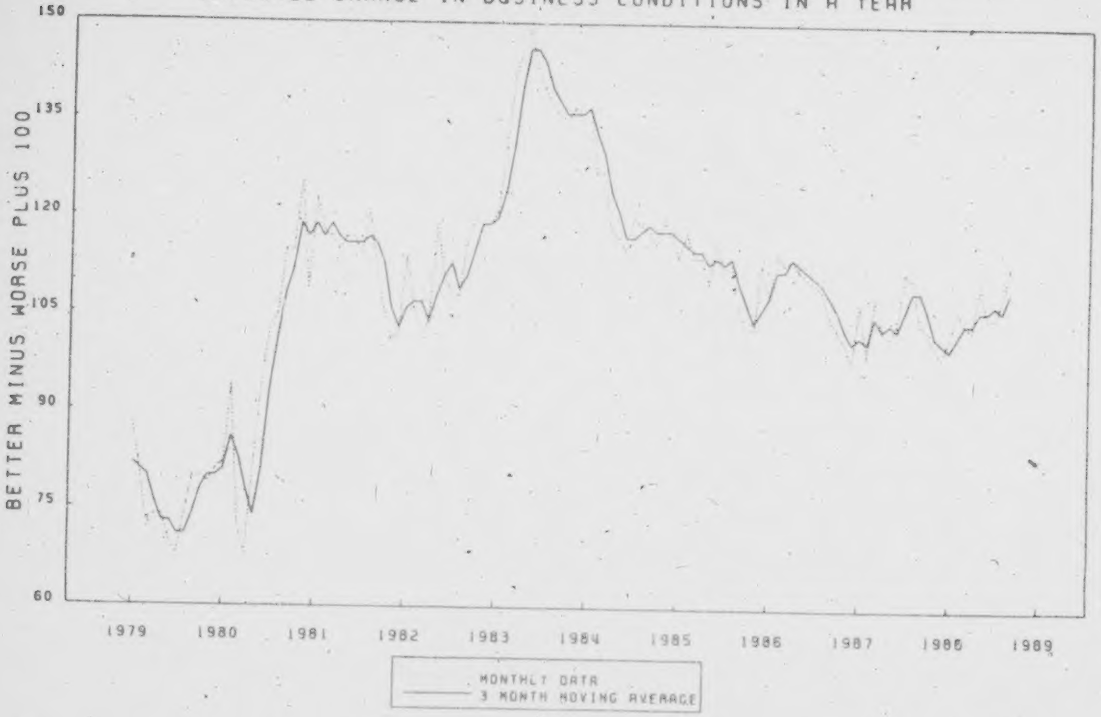


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

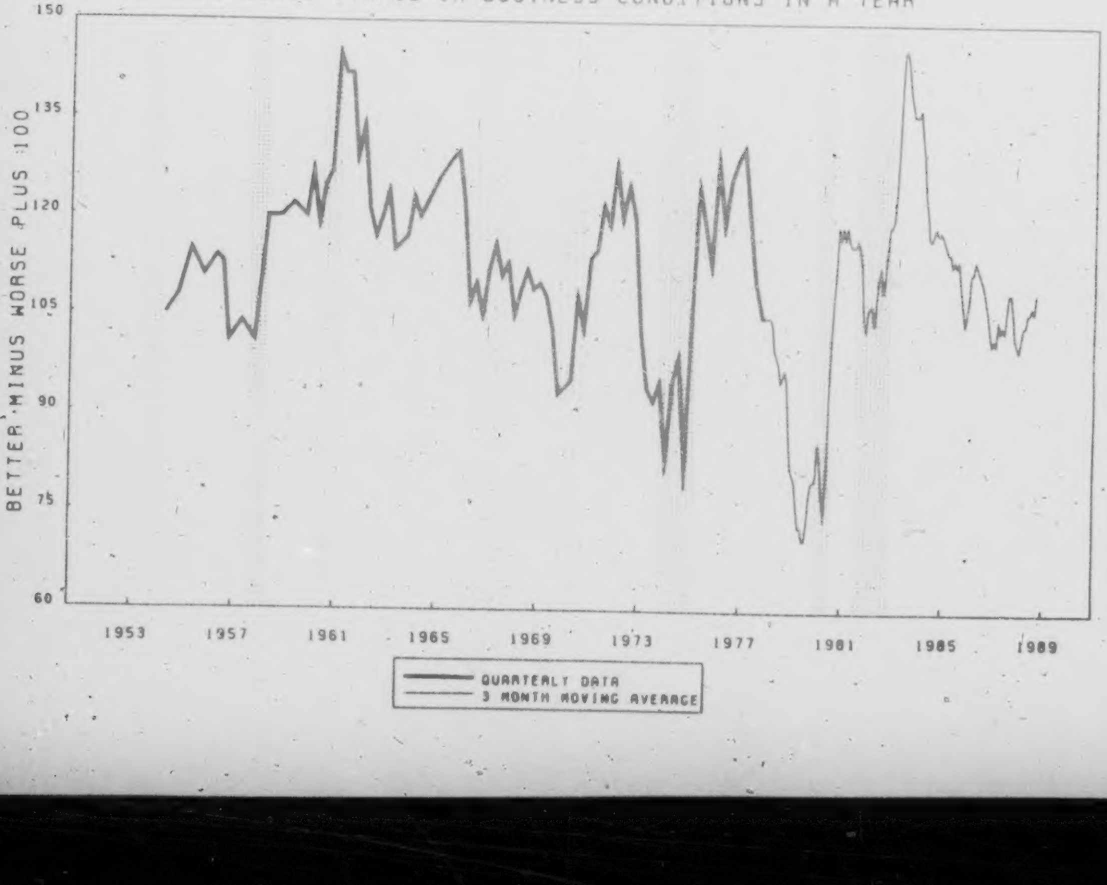


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
BETTER	21%	22%	23%	22%	21%	23%	21%	21%	26%	24%	23%	24%	27%
SAME	58	57	52	63	58	58	58	57	53	54	53	54	55
WORSE	17	19	23	23	19	17	17	18	16	19	18	16	14
DK,NA	4	2	2	2	2	2	4	4	5	3	6	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

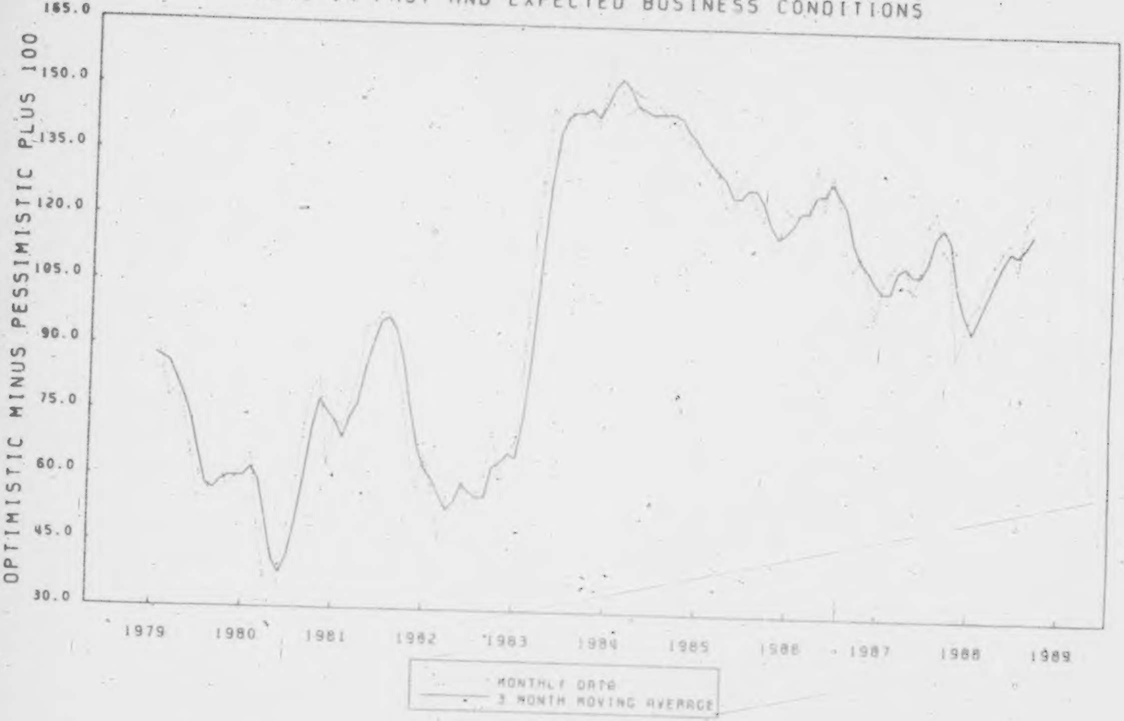


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

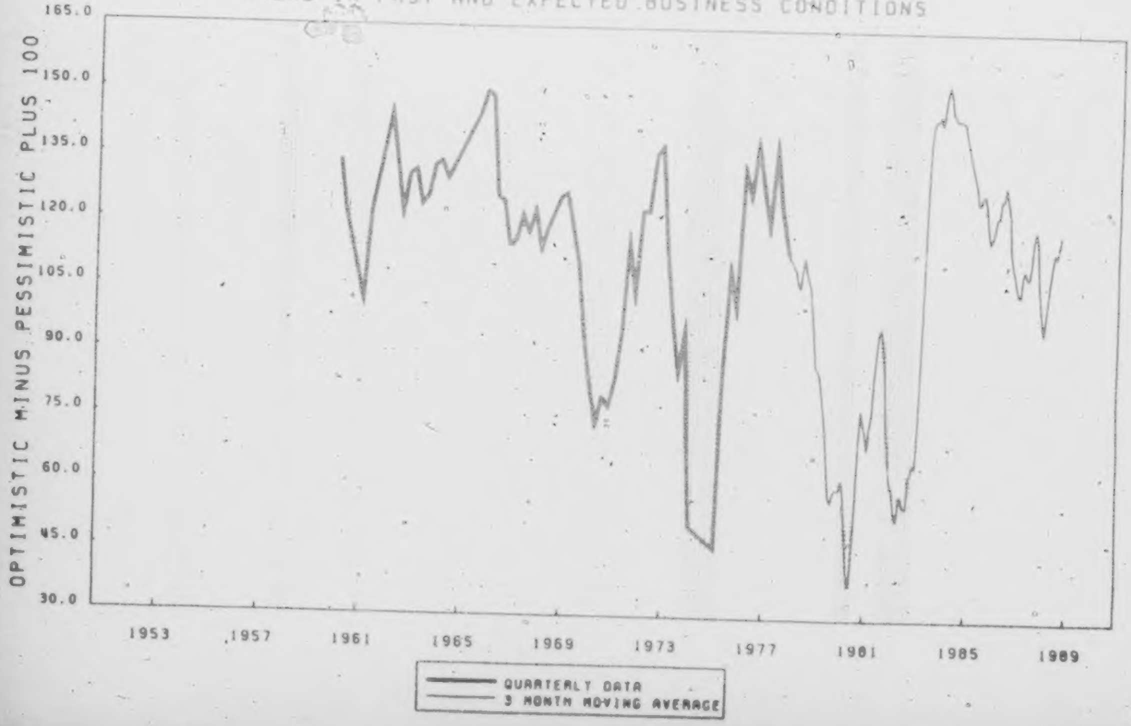


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
TREND:													
Continuous increase (a)	14%	16%	10%	10%	11%	12%	10%	14%	16%	15%	12%	18%	18%
Intermittant increase (b)	32	29	22	24	29	27	30	30	29	30	28	29	31
Remain unchanged (c)	9	10	10	10	8	10	12	9	9	13	9	11	11
Intermittant decline (d)	21	21	26	22	25	24	21	20	20	18	20	17	19
Continuous decline (e)	10	11	16	16	14	12	10	12	10	10	10	8	6
Mixed change (f)	9	10	14	13	10	11	11	9	11	10	12	8	9
DK,NA	5	3	2	5	3	4	6	6	5	4	9	9	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

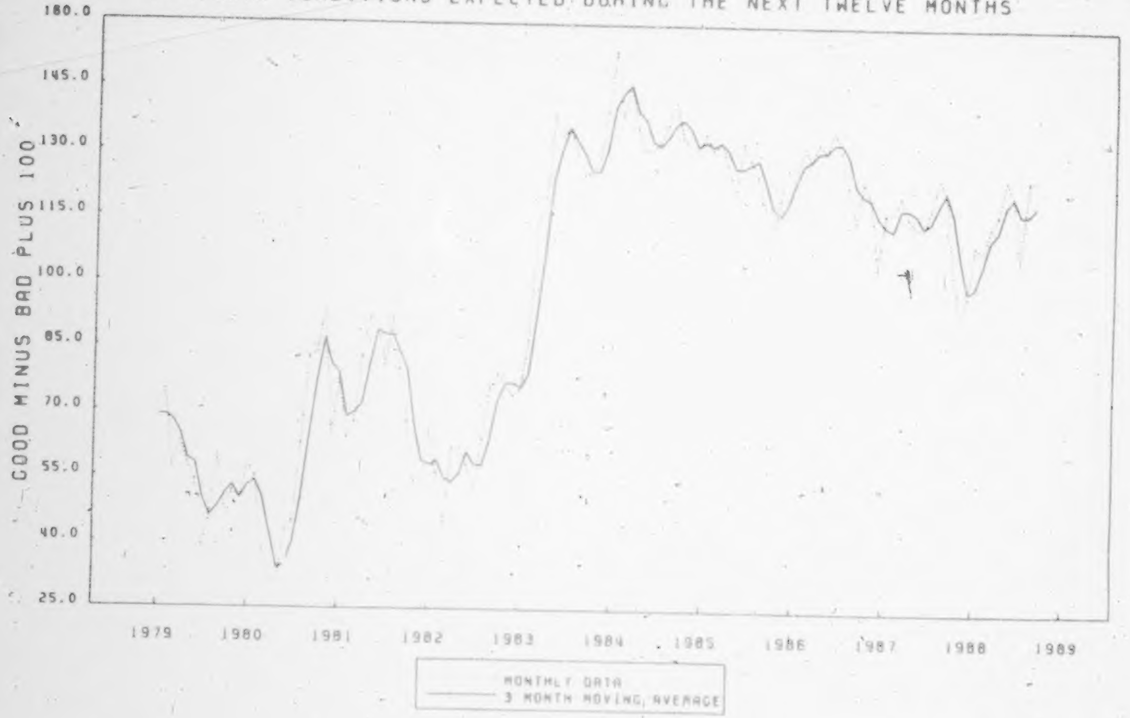


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

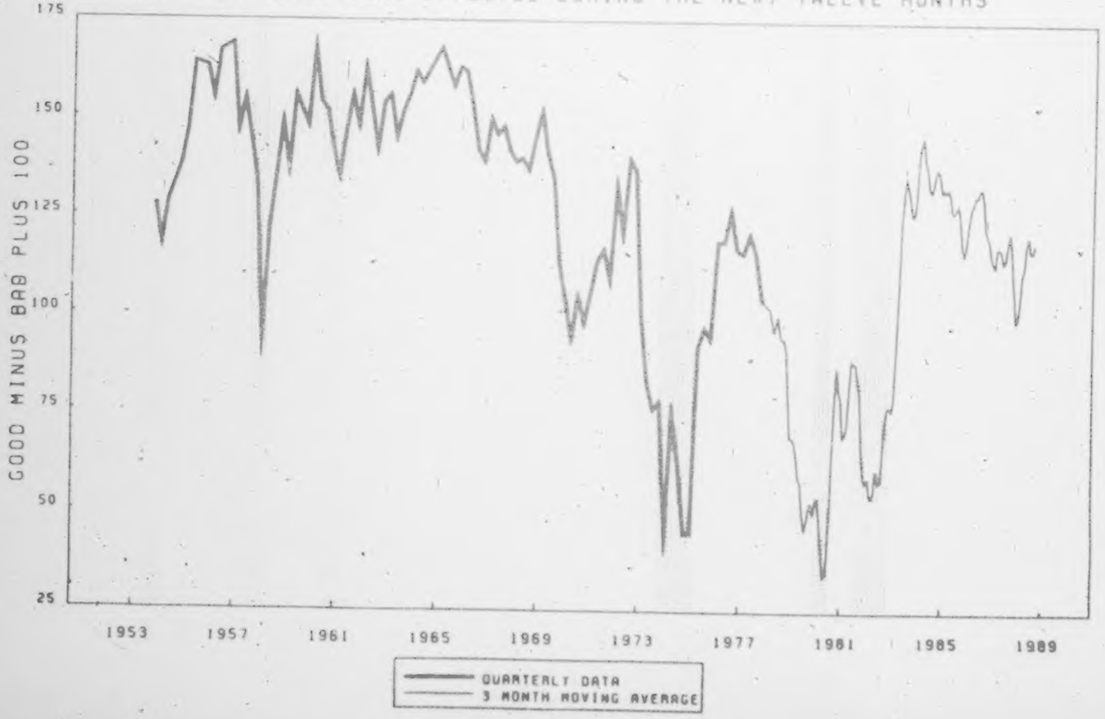


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GOOD TIMES	51%	43%	38%	41%	47%	45%	47%	50%	54%	54%	44%	52%	53%
UNCERTAIN; GOOD & BAD	5	3	2	4	4	4	4	4	4	3	4	4	5
BAD TIMES	29	38	45	43	37	37	33	33	29	33	38	27	28
DON'T KNOW	7	7	8	6	7	7	7	9	8	6	9	11	9
NOT ASCERTAINED	8	9	7	6	5	7	9	4	5	4	5	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

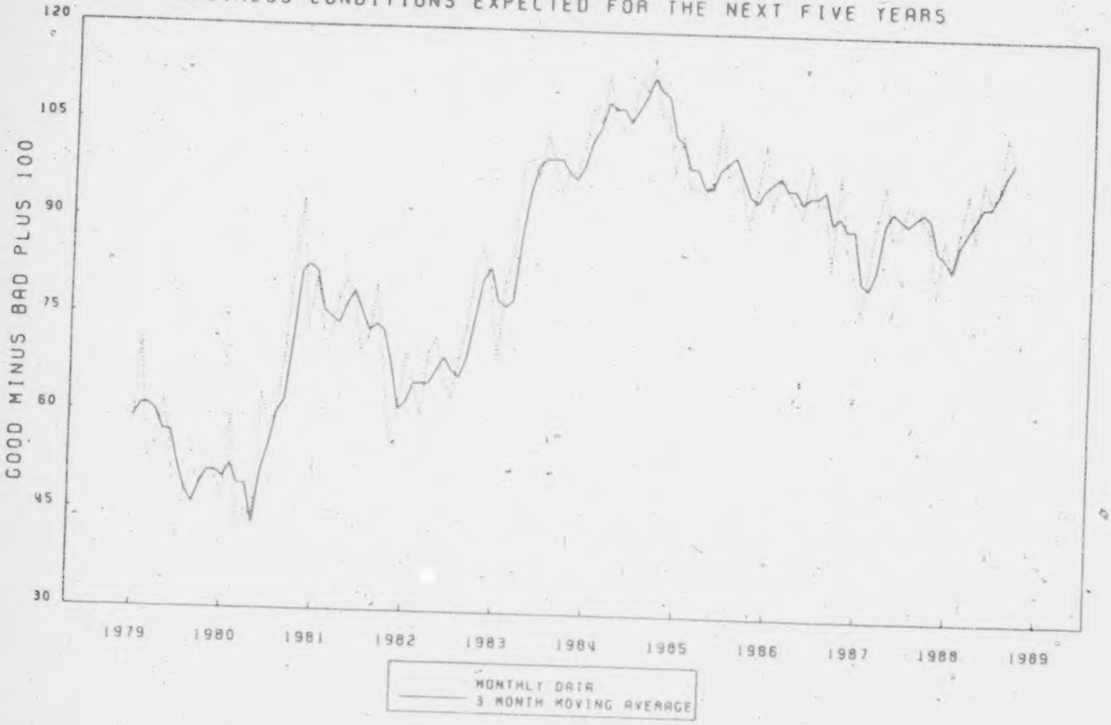


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

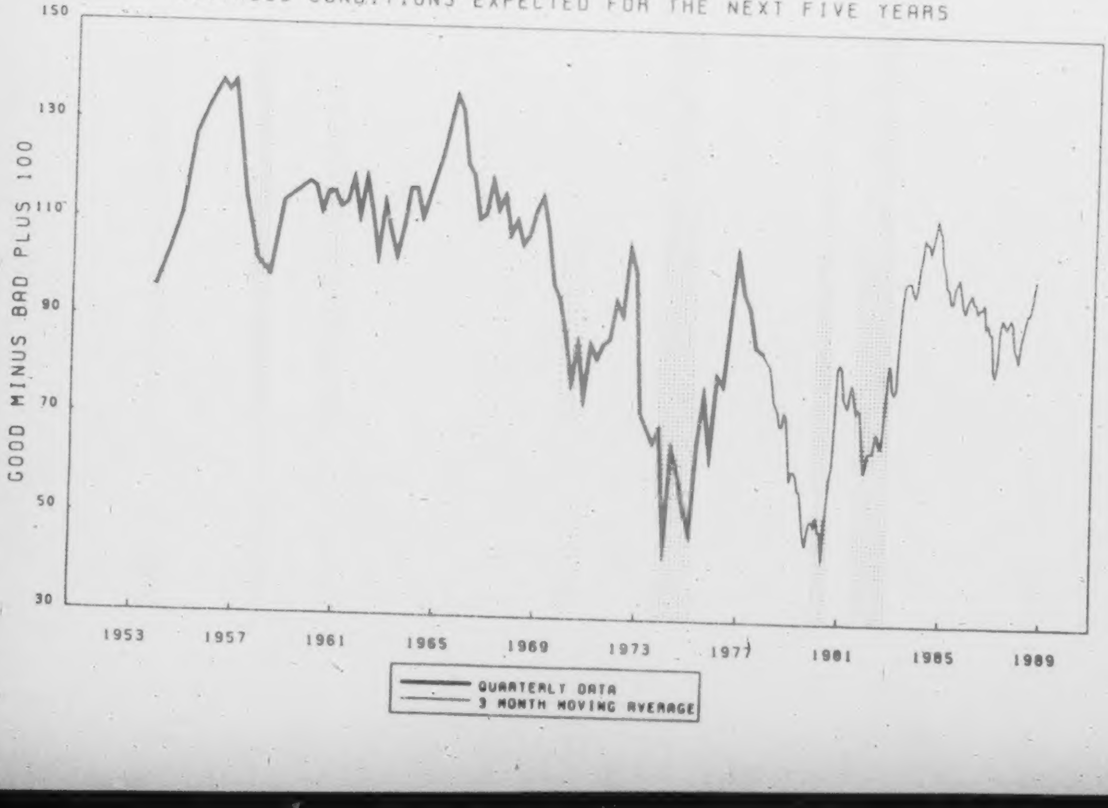


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GOOD TIMES	37%	36%	31%	33%	34%	35%	39%	36%	41%	36%	39%	43%	41%
UNCERTAIN; GOOD & BAD	13	12	13	16	12	15	14	15	13	16	11	16	17
BAD TIMES	45	46	51	44	50	45	43	47	43	41	43	38	39
NOT ASCERTAINED	5	6	5	7	4	5	4	2	3	7	7	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

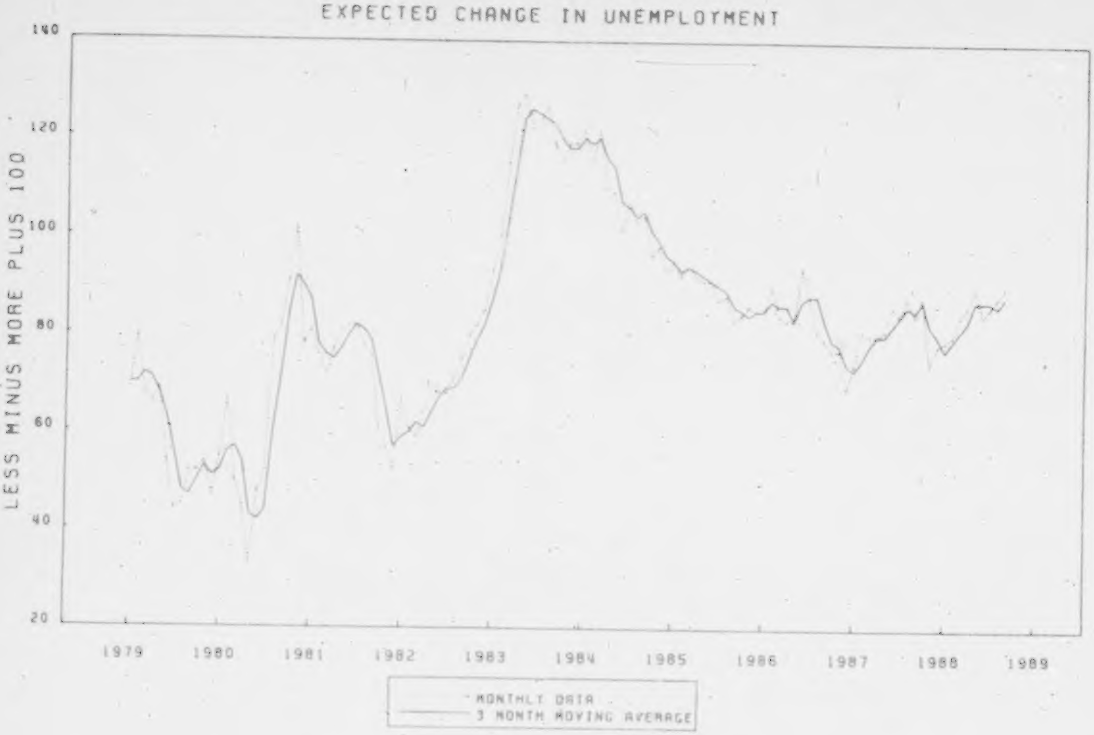


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

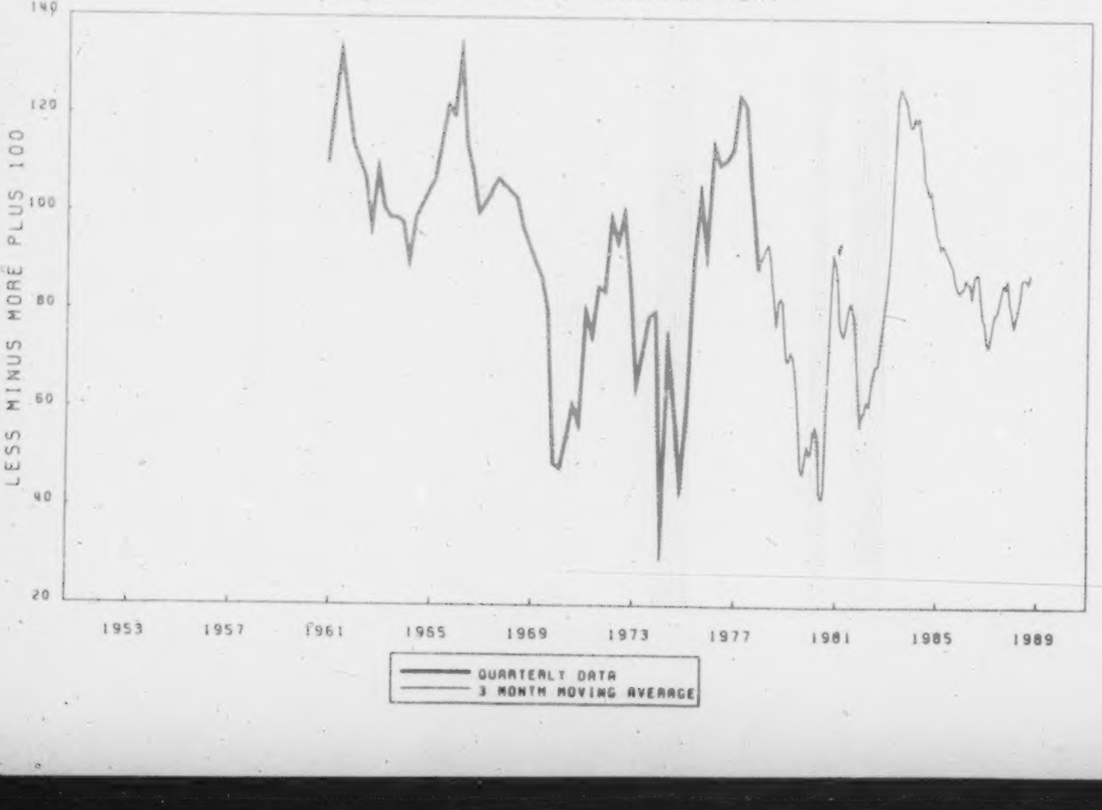


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
LESS	13%	17%	10%	12%	12%	12%	12%	14%	11%	15%	15%	15%	17%
SAME	57	52	53	51	54	53	58	56	67	53	54	53	52
MORE	29	29	36	34	33	33	28	28	21	31	29	27	27
DK,NA	1	2	1	3	1	2	2	2	1	1	2	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

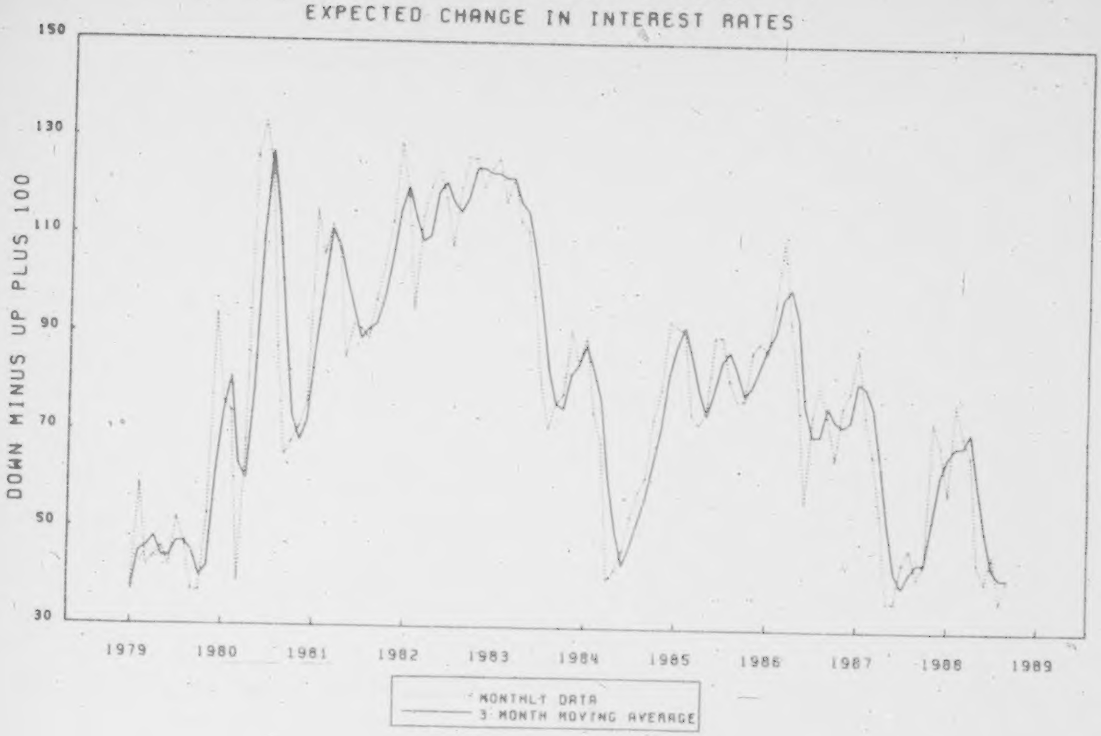


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

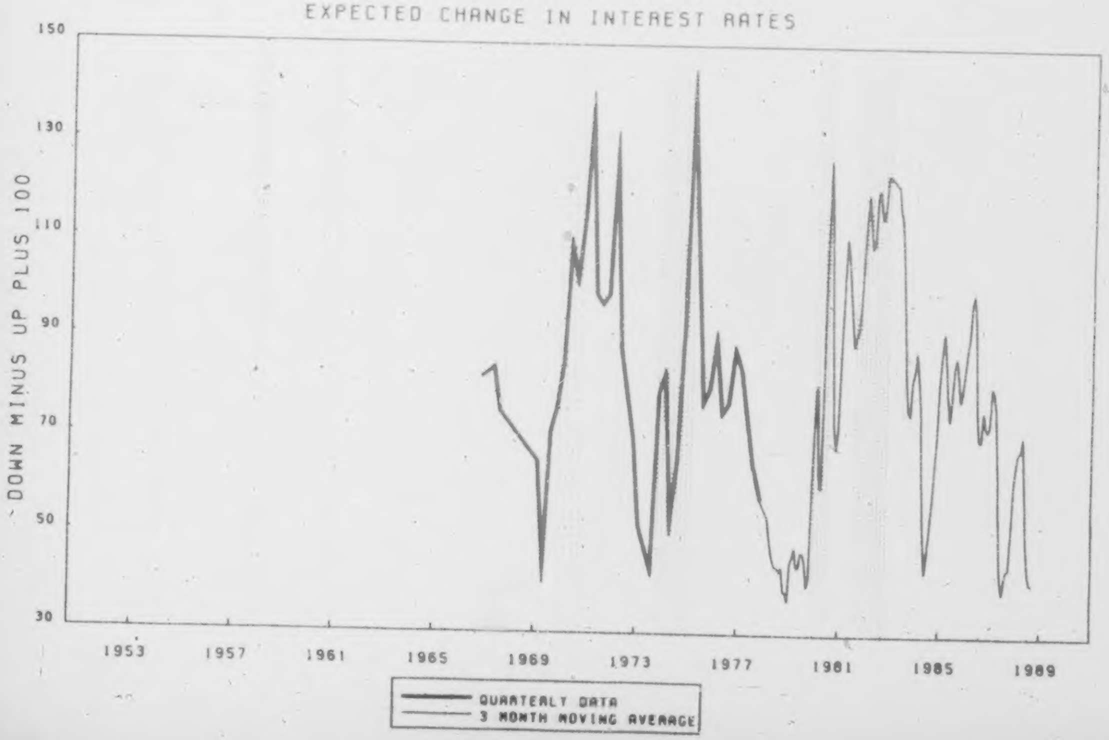


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GO UP	66%	67%	49%	52%	54%	44%	49%	48%	64%	67%	65%	71%	67%
STAY THE SAME	24	20	26	26	32	32	29	35	26	24	22	19	21
GO DOWN	7	11	22	20	12	21	19	14	8	7	11	7	8
DK,NA	3	2	3	2	2	3	3	3	2	2	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

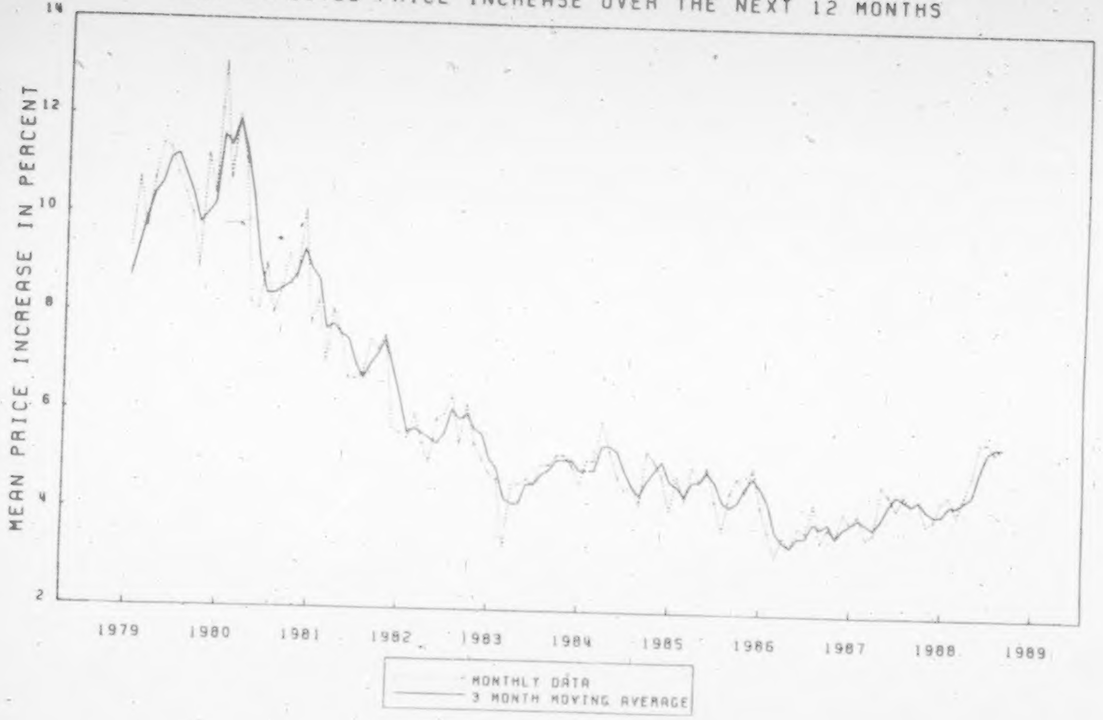


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

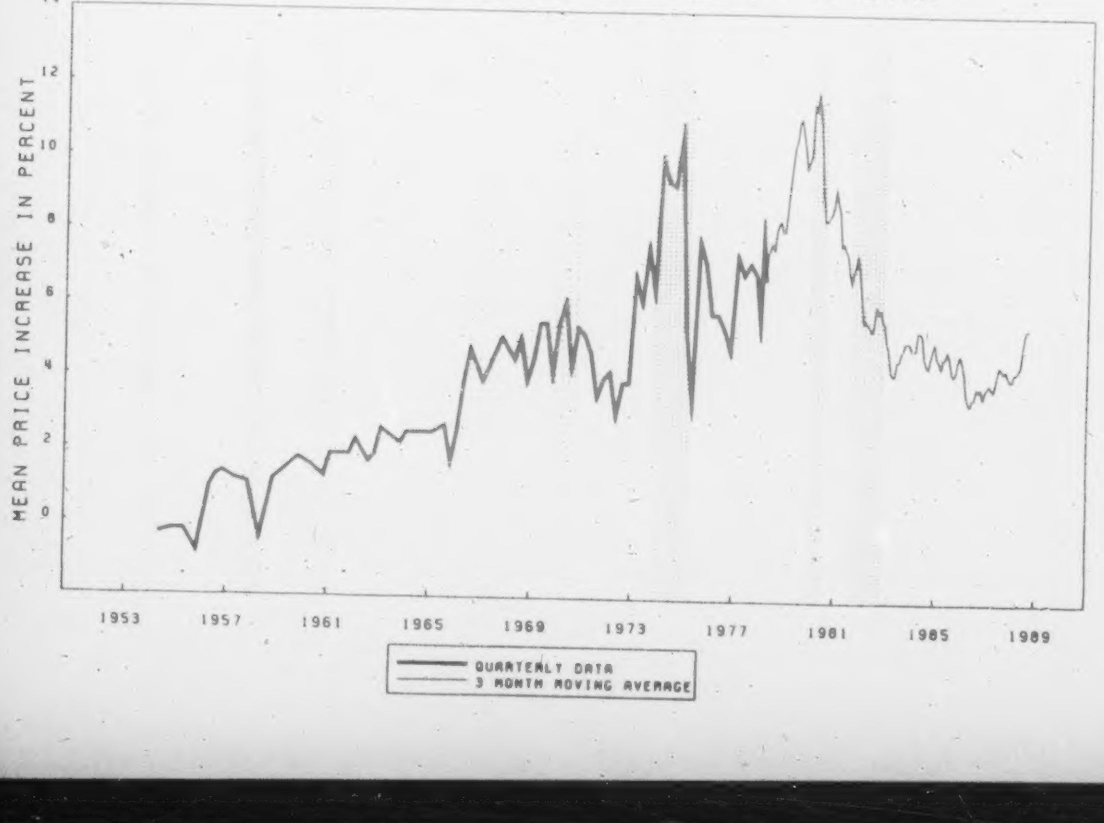


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
SAME OR DOWN	17%	15%	20%	21%	23%	17%	18%	14%	13%	13%	8%	8%	8%
WILL GO UP BY:													
1-2%	20	18	16	19	16	21	19	19	19	18	15	15	16
3-4%	24	23	22	21	21	23	24	25	26	20	23	23	25
5%	16	20	20	15	17	16	19	18	18	20	19	22	21
6-9%	6	7	8	8	6	6	6	7	7	8	12	9	10
10-14%	7	8	5	8	7	7	6	7	6	9	12	8	7
15% or more	3	3	4	3	6	5	3	4	6	6	6	6	6
DK how much up	5	5	4	4	3	4	5	5	4	5	5	8	6
DK,NA	2	1	1	1	1	1	*	1	1	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.3	4.4	3.9	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.6	5.4	5.5
VARIANCE	41	28	25	26	35	40	26	31	41	60	37	38	52
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

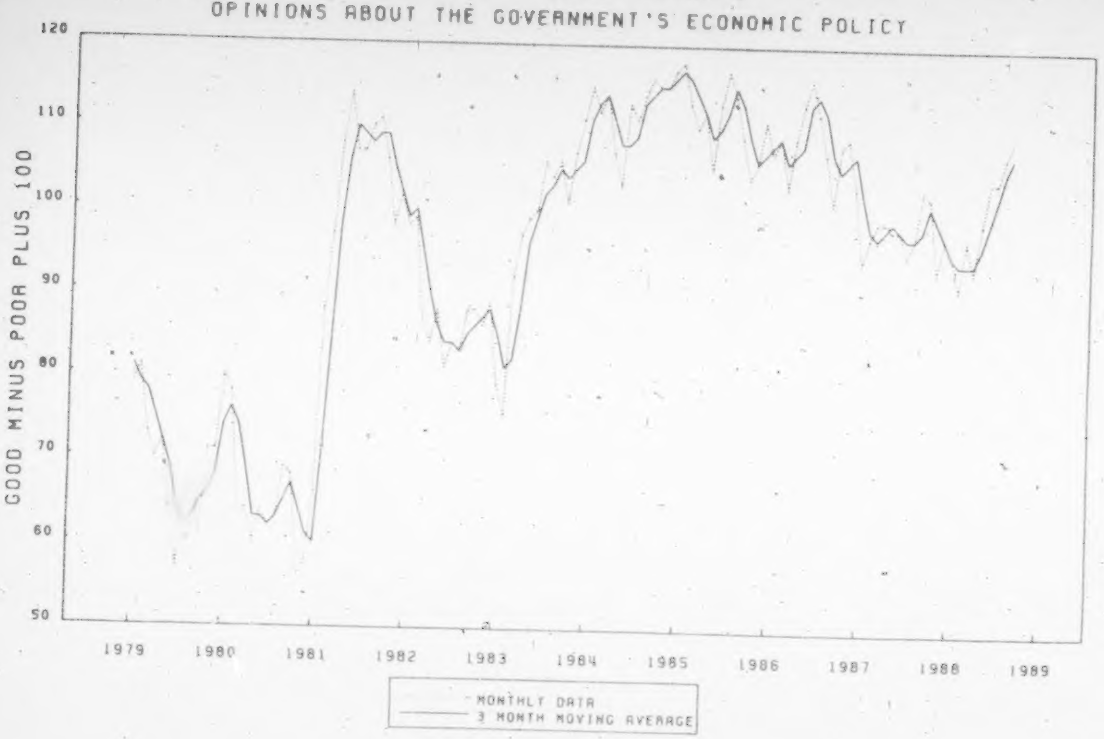


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

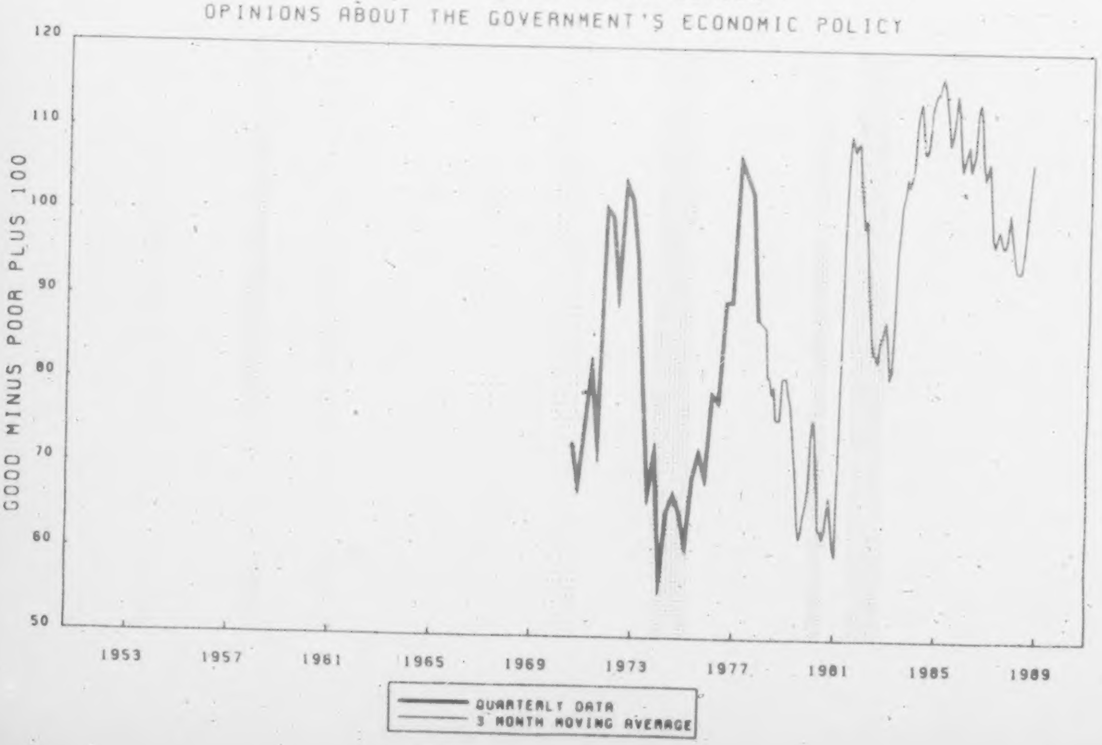


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
A GOOD JOB	23%	25%	18%	19%	17%	18%	23%	18%	21%	23%	25%	28%	29%
ONLY FAIR	54	48	54	56	60	53	49	56	56	57	51	48	49
A POOR JOB	20	23	25	22	22	27	26	25	22	19	21	21	20
DK,NA	3	4	3	3	1	2	2	1	1	1	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

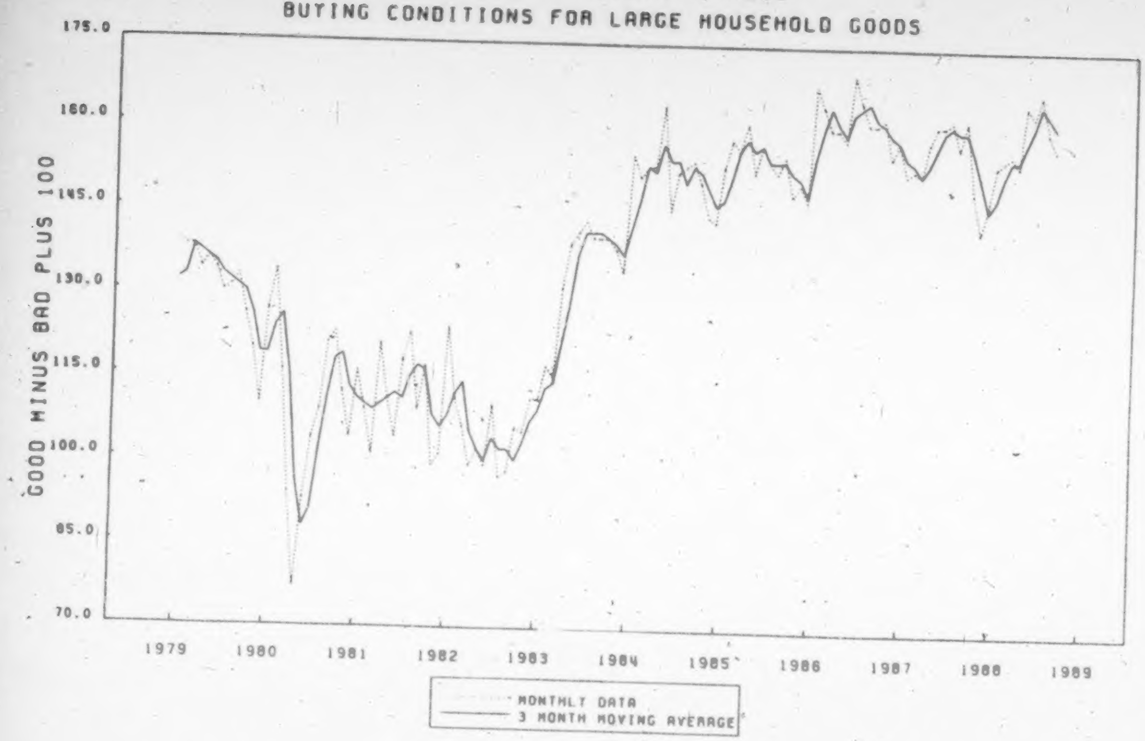


CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

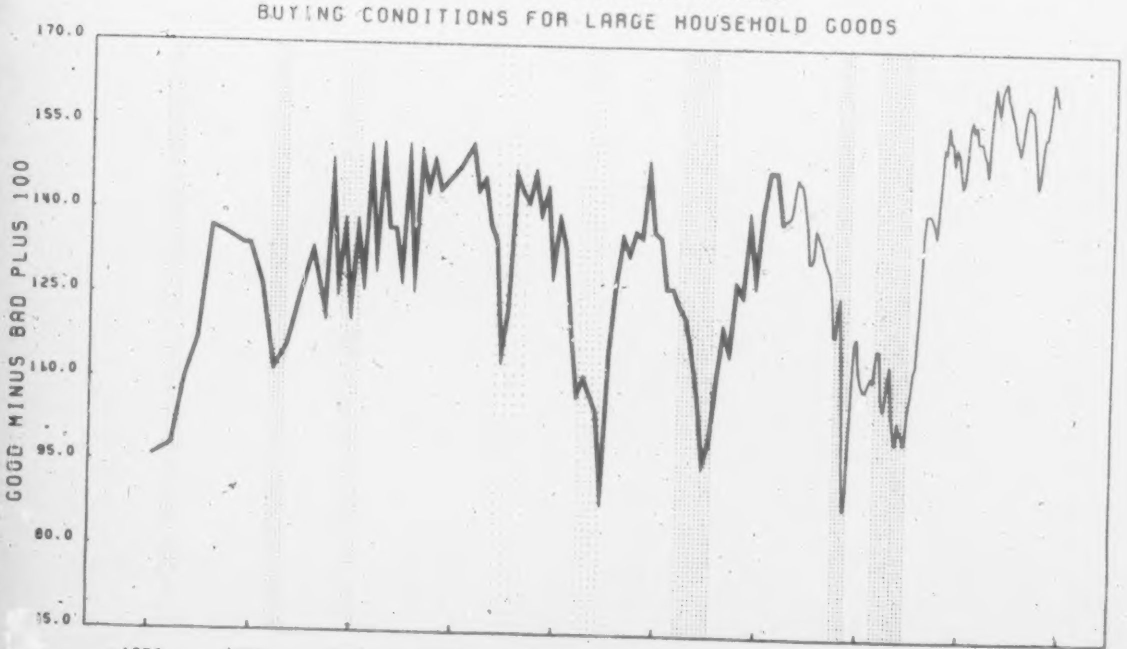


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GOOD TIME TO BUY	75%	69%	66%	69%	72%	72%	71%	73%	79%	74%	79%	74%	71%
UNCERTAIN, DEPENDS	12	11	10	9	10	11	14	8	7	15	9	12	15
BAD TIME TO BUY	13	20	24	22	18	17	15	19	14	11	12	14	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

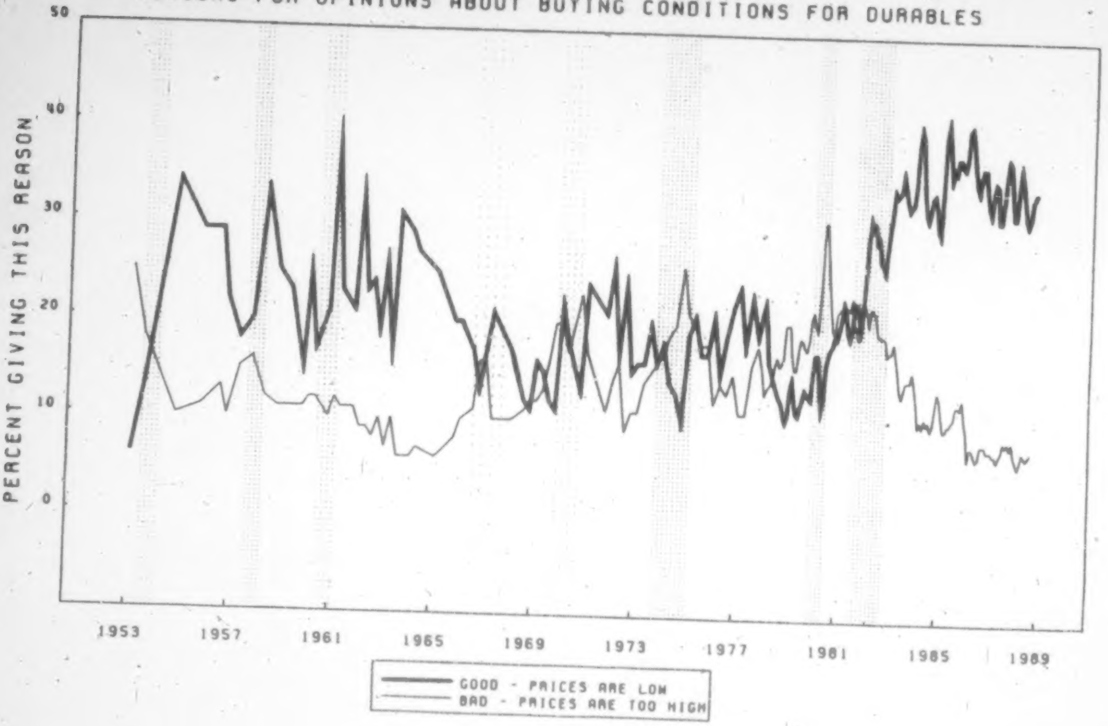


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

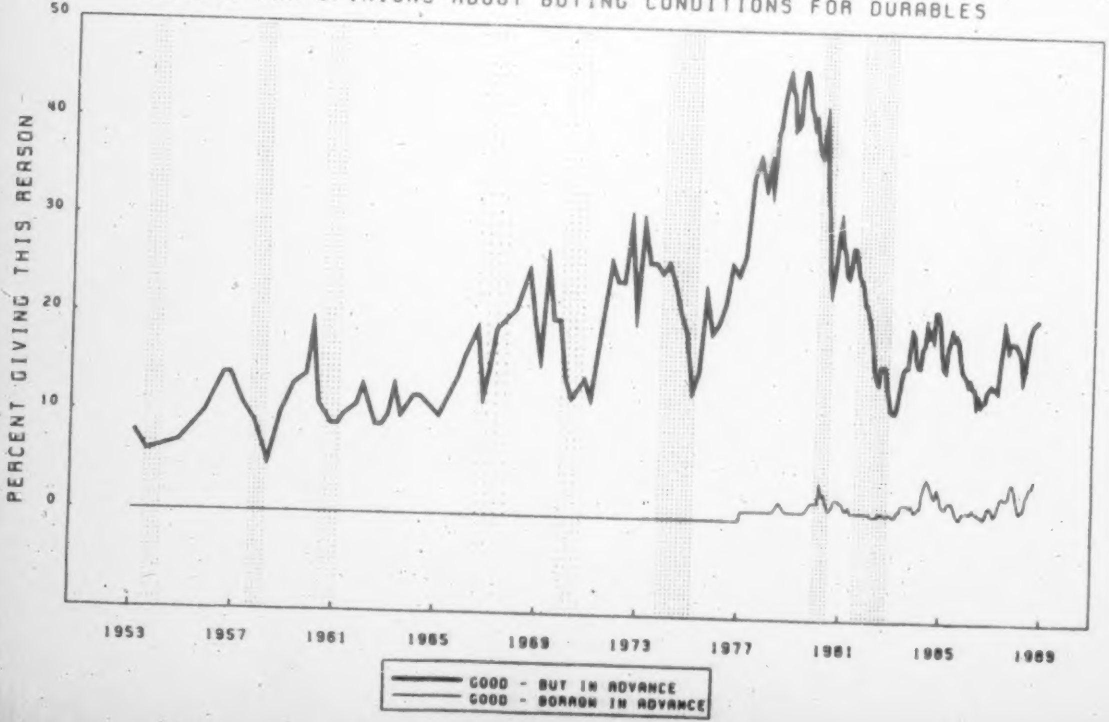


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	37%	28%	30%	37%	37%	36%	33%	32%	30%	31%	34%	36%	33%
Prices won't come down; are going higher	23	17	16	22	16	14	15	19	20	20	21	21	21
Interest rates low	11	9	11	8	6	8	10	9	6	8	7	7	7
Borrow-in-advance rates	4	6	3	1	2	1	2	2	5	3	4	5	5
Times are good; prosperity	6	7	4	4	6	7	8	10	7	7	10	7	5
BAD TIME TO BUY:													
Prices are high	8	9	7	10	5	5	8	7	8	7	6	9	8
Interest rates are high; credit is tight	4	4	8	6	4	5	4	4	4	2	2	3	3
Times are bad; can't afford to buy	2	6	4	4	8	6	5	6	3	2	3	3	2
Bad times ahead; uncertain future	1	4	10	5	4	4	2	4	2	1	3	3	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

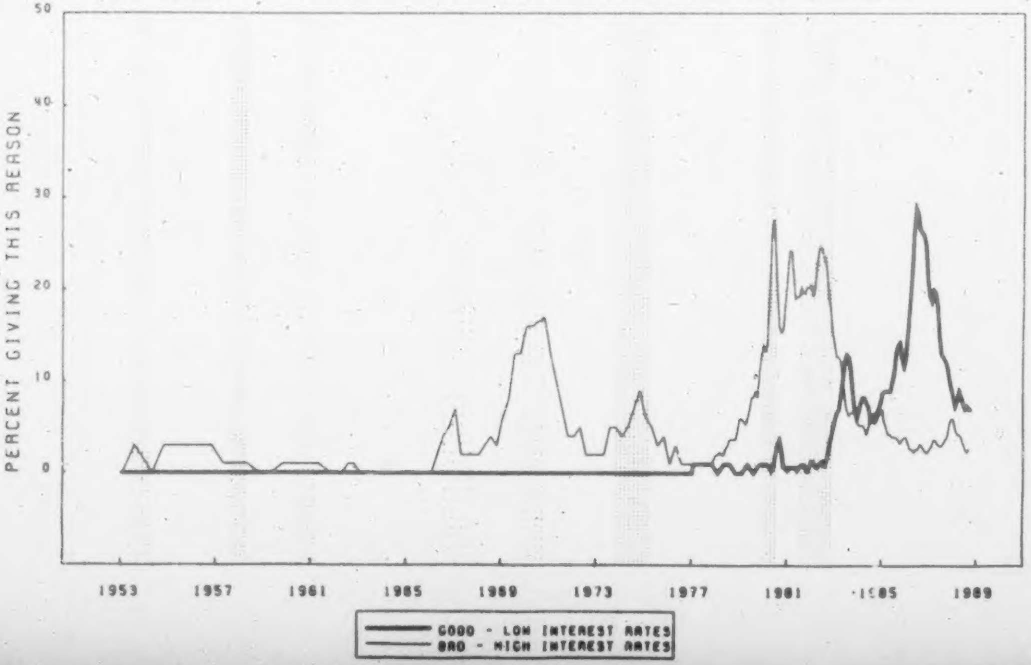


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

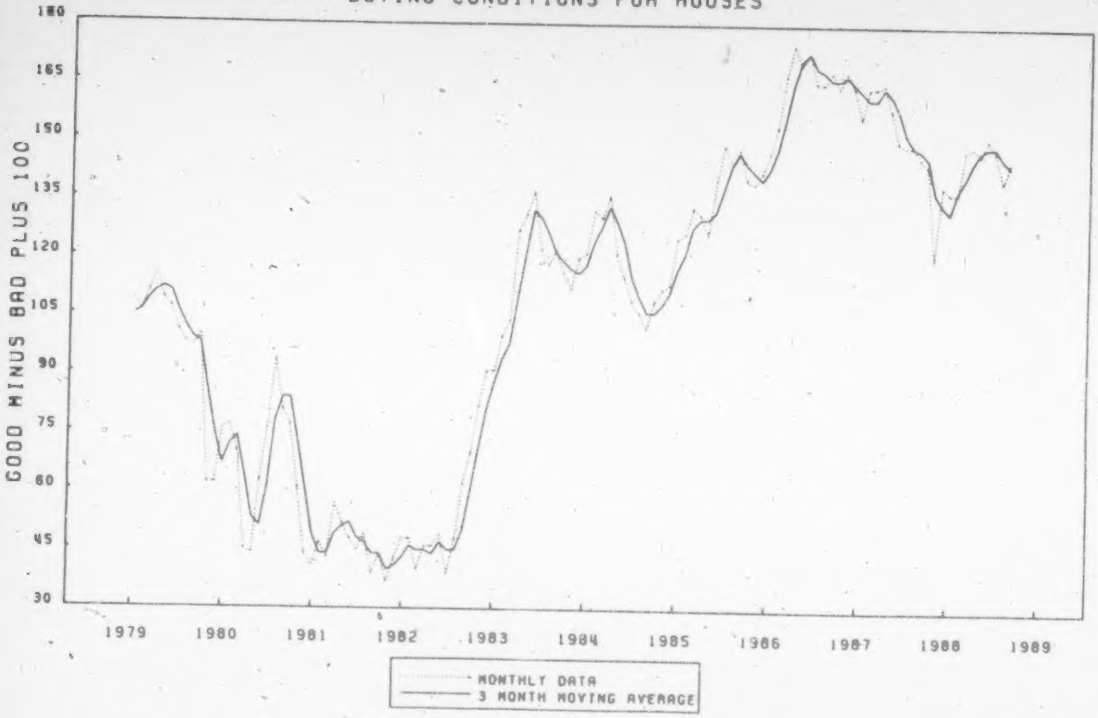


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

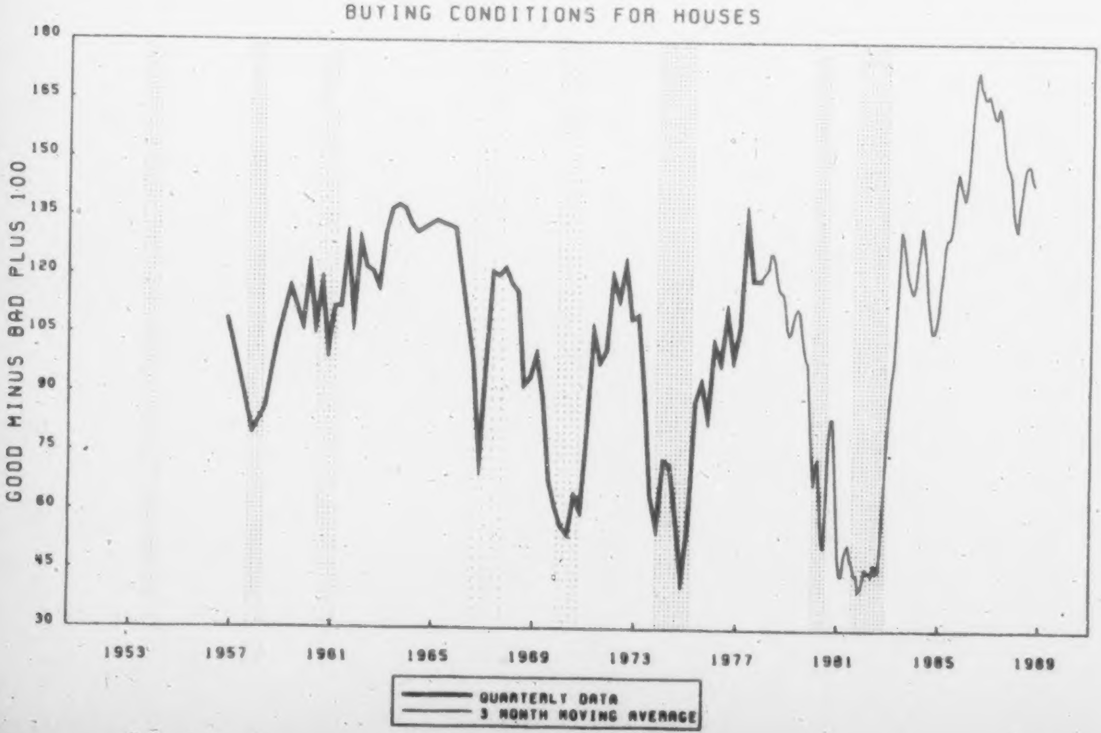


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GOOD TIME TO BUY	71%	70%	58%	68%	67%	67%	71%	72%	72%	73%	72%	67%	70%
UNCERTAIN, DEPENDS	4	4	4	3	3	3	6	5	3	5	4	6	5
BAD TIME TO BUY	25	26	38	29	30	30	23	23	25	22	24	27	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

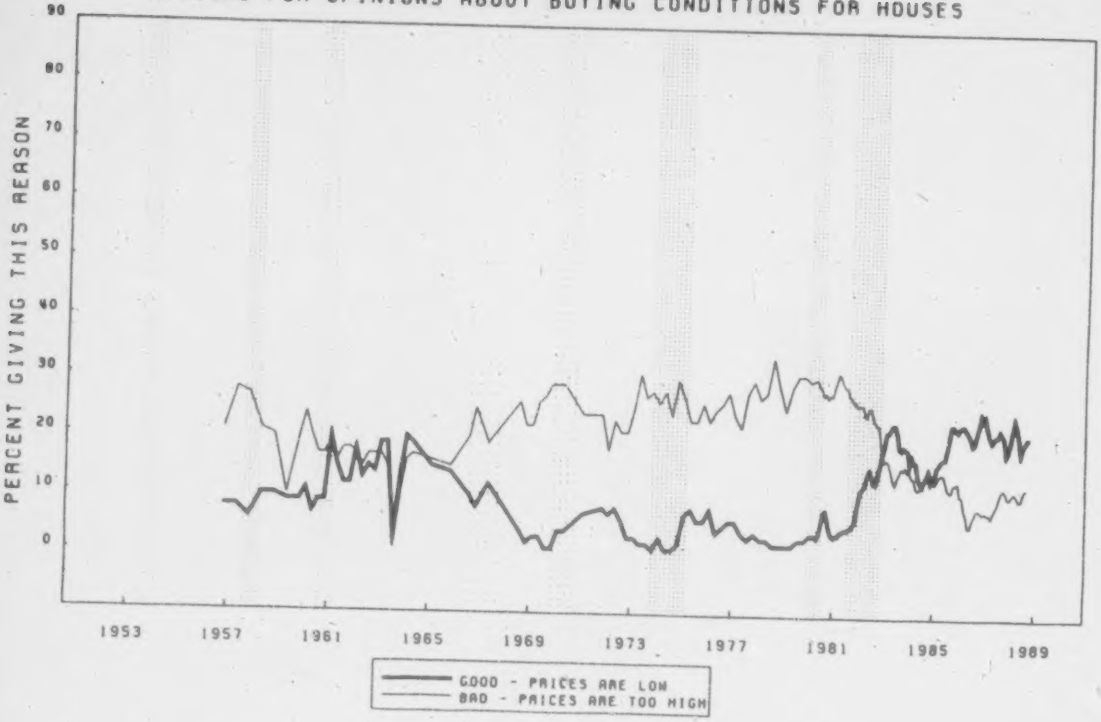


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

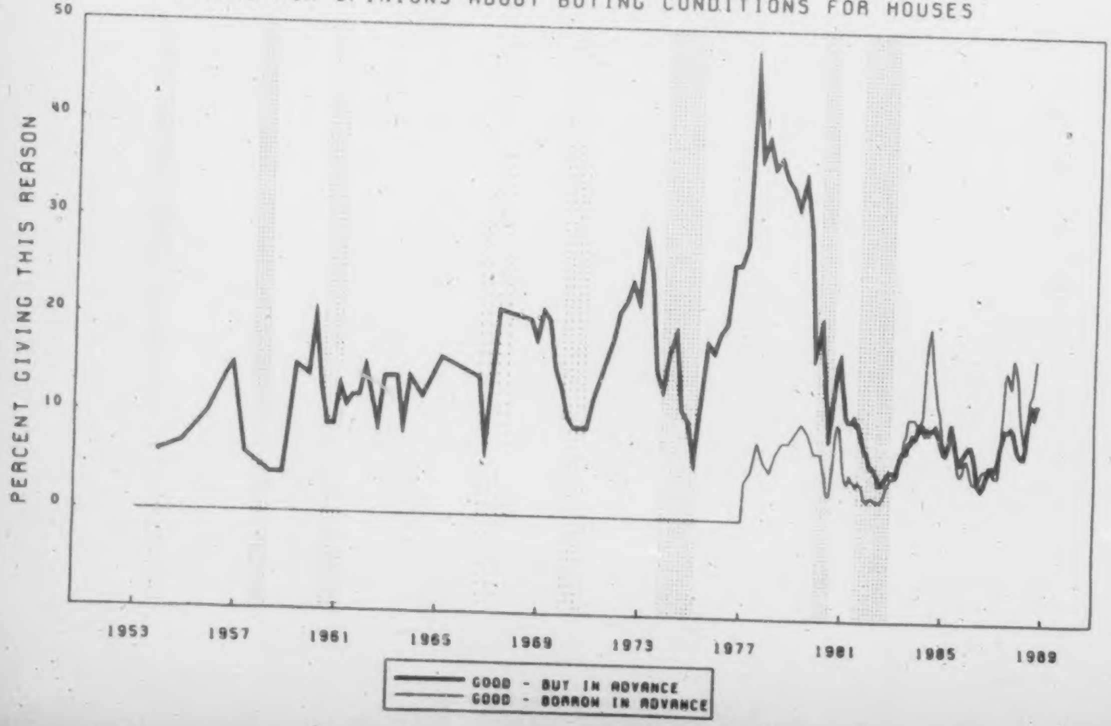


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	19%	16%	21%	24%	22%	27%	20%	16%	19%	24%	18%	21%
Prices won't come down; are going higher	12	8	6	9	7	5	9	10	12	12	12	10	15
Interest rates low	37	33	32	40	35	44	47	40	37	34	30	28	22
Borrow-in-advance rates	16	22	11	12	13	6	7	10	14	15	11	19	21
Good investment	7	6	7	9	7	4	6	7	10	6	7	9	9
Times are good; prosperity	5	3	3	3	3	4	4	4	5	5	6	5	4
BAD TIME TO BUY:													
Prices are high	13	11	11	10	11	13	11	10	10	11	13	13	11
Interest rates are high; credit is tight	13	18	19	13	13	15	9	10	12	10	11	14	14
Times are bad; can't afford to buy	6	7	5	7	10	7	8	8	6	4	4	4	4
Bad times ahead; uncertain future	3	4	13	7	5	4	3	4	3	3	2	3	2

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

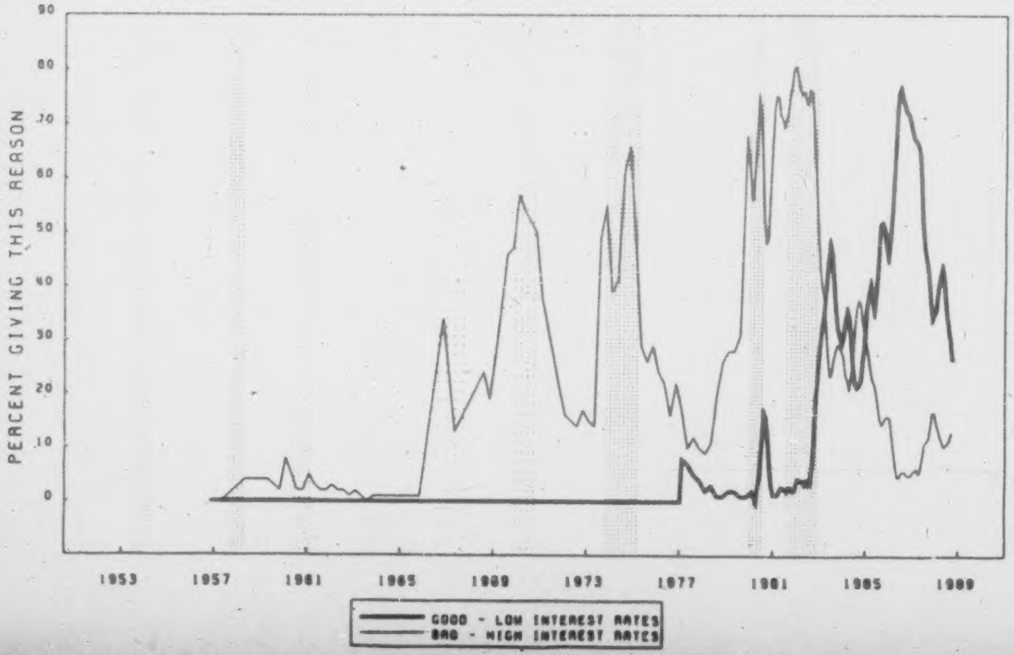


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

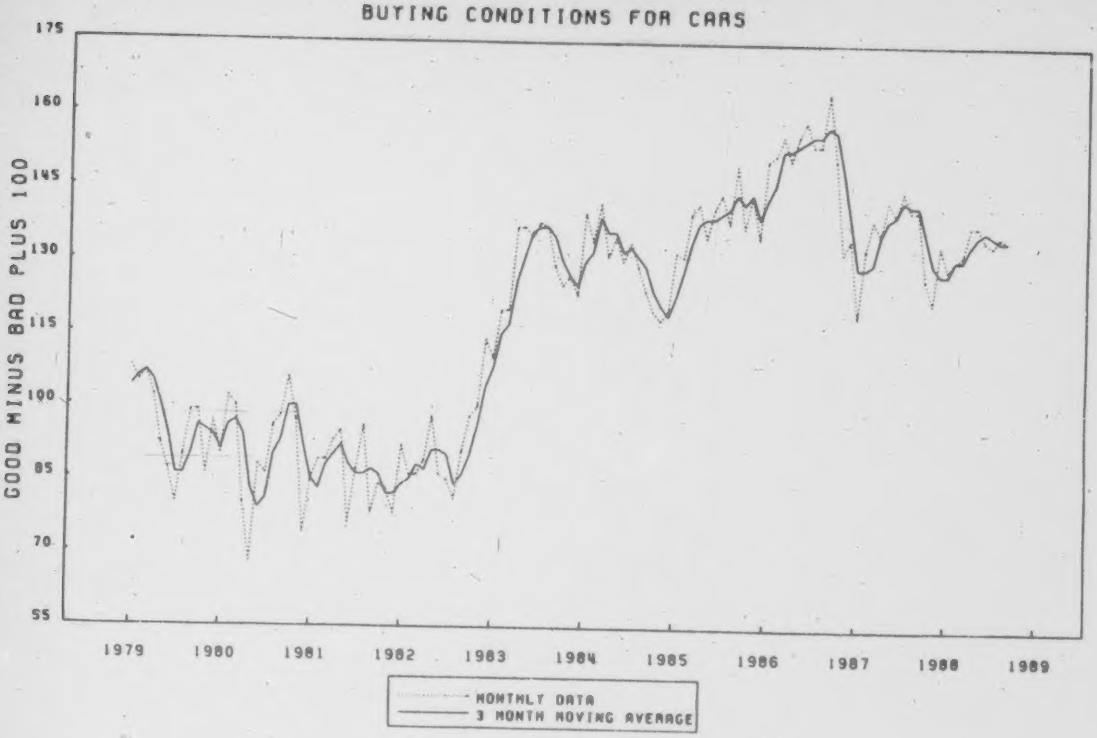


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

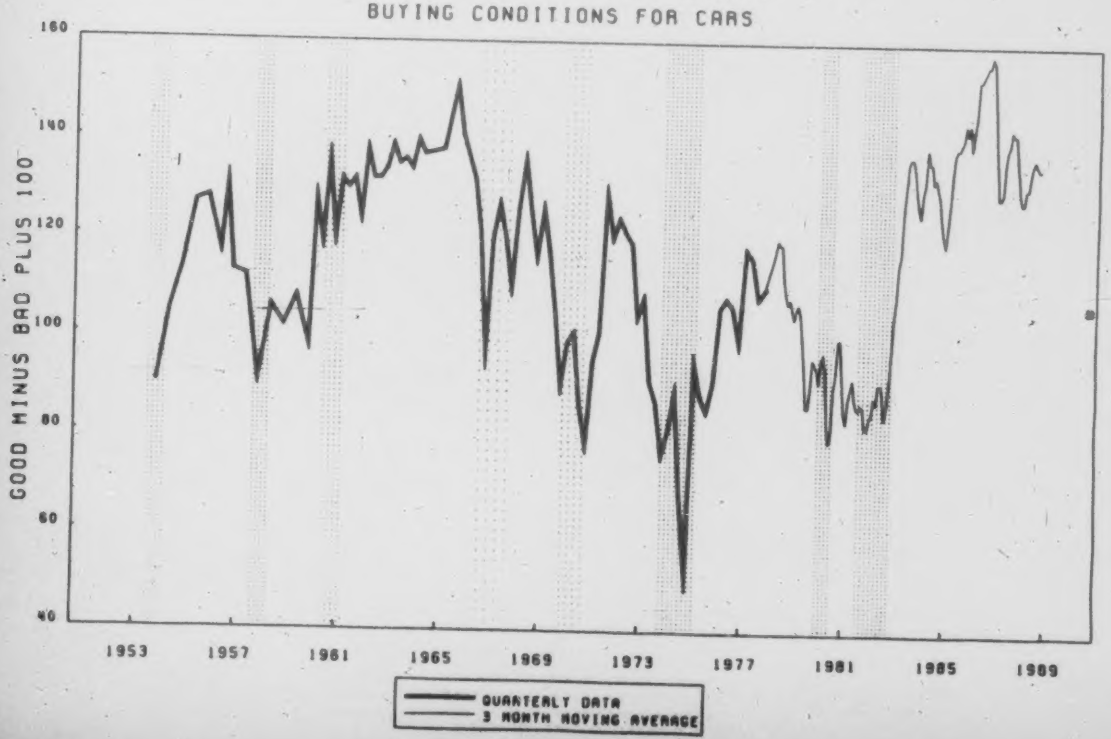


TABLE 25

BUYING CONDITIONS FOR CARS

	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
GOOD TIME TO BUY	66%	58%	57%	64%	59%	59%	62%	63%	64%	62%	62%	62%	61%
UNCERTAIN; DEPENDS	9	11	8	6	11	13	8	12	10	11	10	12	13
BAD TIME TO BUY	25	31	35	30	30	28	30	25	26	27	28	26	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	650	500	501	500	502	500	500	504	500	500	501	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

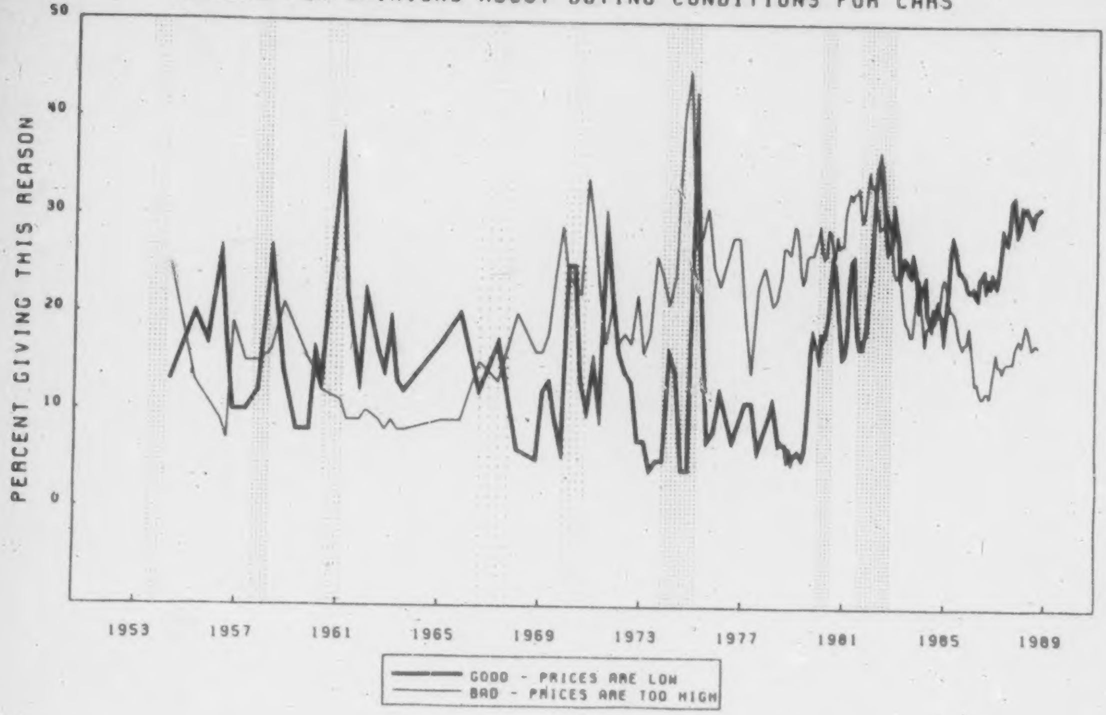


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

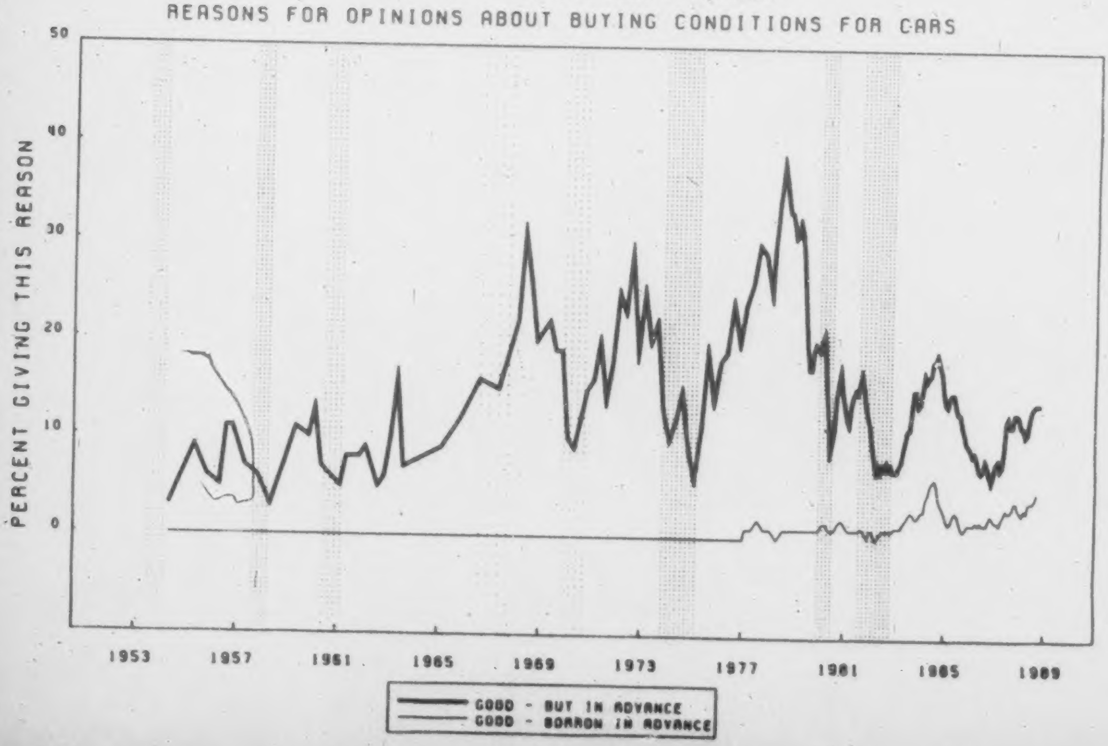


TABLE 26

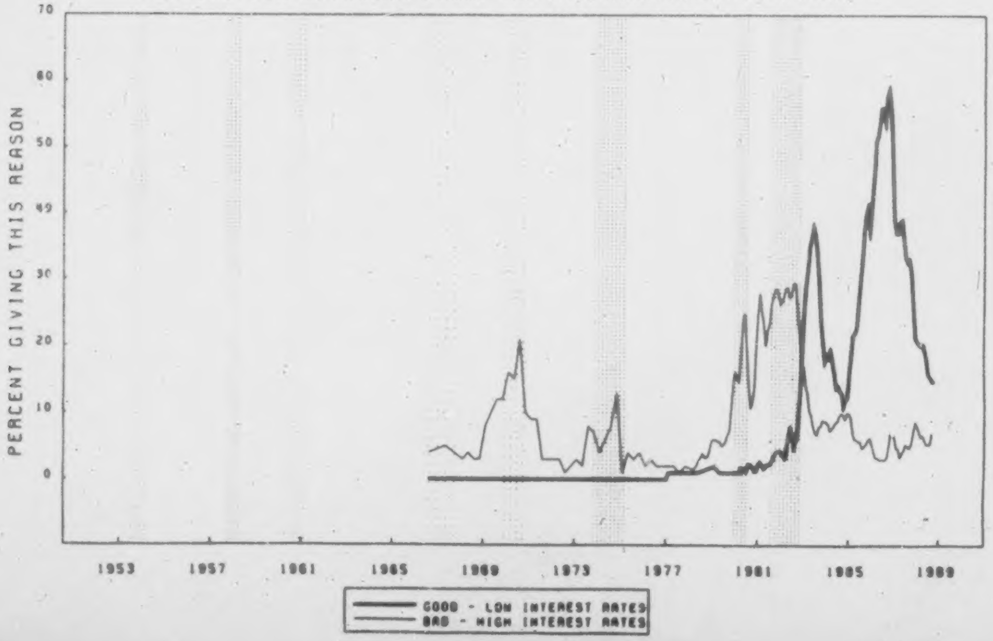
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

GOOD TIME TO BUY:	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988
Prices are low; good buys available	29%	26%	31%	31%	32%	30%	32%	30%	29%	30%	33%	30%	31%
Prices won't come down; are going higher	15	14	10	14	11	10	11	12	14	14	13	15	14
Interest rates low	36	22	21	21	20	20	20	21	17	16	14	16	14
Borrow-in-advance rates	4	5	3	2	4	2	4	3	5	4	3	6	6
Times are good; prosperity	2	4	2	2	3	3	4	3	4	3	5	4	4
BAD TIME TO BUY:													
Prices are high	16	19	17	17	17	20	21	15	17	18	16	18	17
Interest rates are high; credit is tight	4	7	10	9	5	8	6	6	6	4	6	6	9
Times are bad; can't afford to buy	3	3	4	4	5	4	3	5	3	1	3	4	2
Bad times ahead; uncertain future	1	3	9	4	3	2	2	2	2	2	2	2	2
Poor selection; quality	4	2	2	4	4	3	3	2	2	3	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

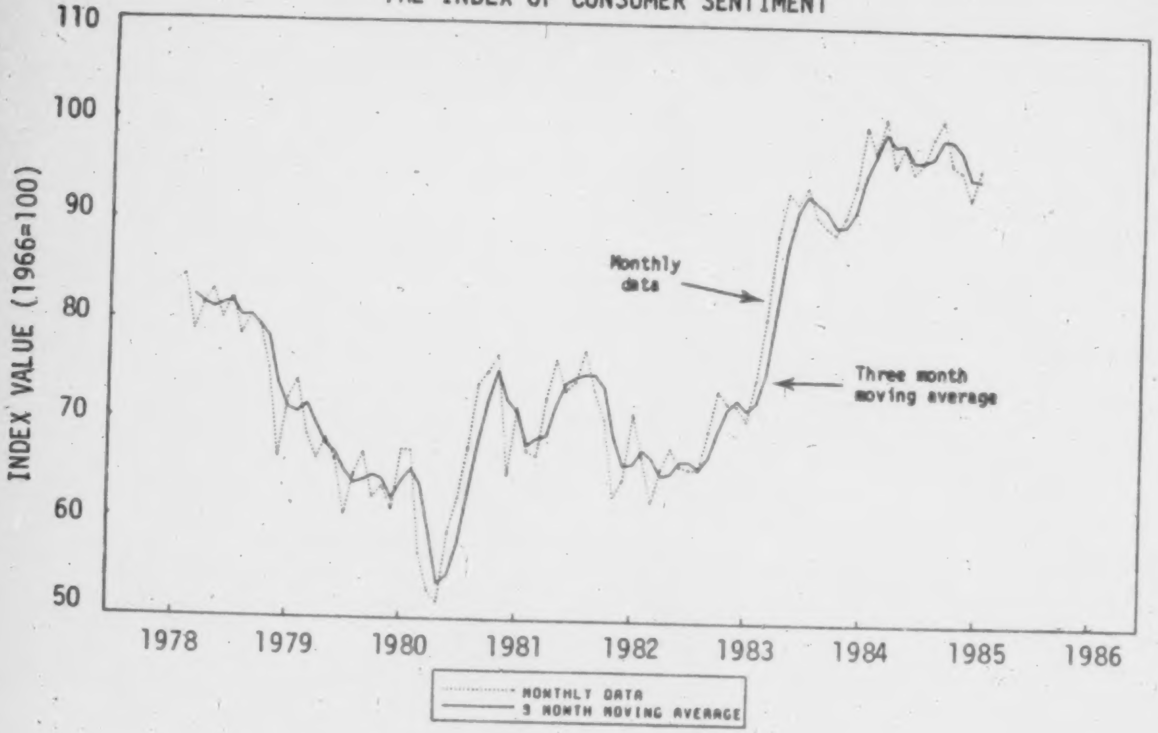
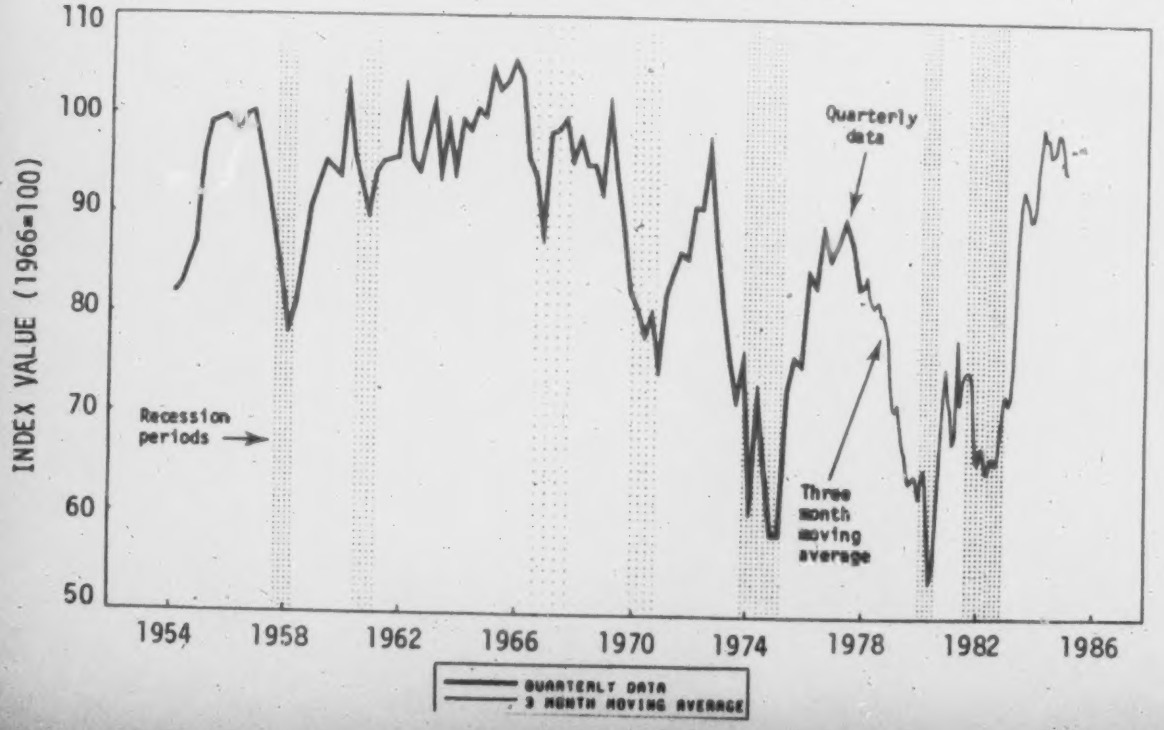


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.